



A Tayal Enterprise

KSL AND INDUSTRIES LIMITED



31st
Annual Report 2012-2013



KSL AND INDUSTRIES LIMITED

ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

Shri Navin Kumar Tayal - Chairman
Shri Manoj Kumar Sharma- Managing Director
Shri Kailash Nath Bhandari
Shri Rajshekhar S. Ganiger
Shri Farindra Bihari Rai

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.)

CONTENTS

Notice	2
Directors' Report	3
Corporate Governance Disclosure	7
Management Discussion and Analysis Report	13
Auditors' Report	16
Balance Sheet	18
Profit & Loss Account	19
Notes	20
Notes to the Accounts	27
Cash Flow Statement	29
Consolidated Accounts	31
Attendance Form	44

ANNUAL GENERAL MEETING on Saturday 10th August, 2013, at
12:30 p.m., at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory).

KSL AND INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the Members of **KSL AND INDUSTRIES LIMITED** will be held on Saturday, 10th August, 2013 at 65, Krishna Nagar, Samarvani, Sivassa, (Union Territory) 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, 2013 and Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Farindra Bihari Rai, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Rajshekhar S Ganiger, who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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 M/s A. F. Khasgiwala & Co., Chartered Accountant be and is hereby appointed as 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 Navin Kumar Tayal, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 25th March, 2013 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. 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 8th August, 2013 to 10th August, 2013 (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, 2013 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. **Green Initiatives in the Corporates Governance** : The Government of India-Ministry of Corporate Affairs has, vide the Circular No. 17/2011 dated 21st April, 2011, allowed services 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 send 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 Behalf of the Board of Directors

Sd/-

Navin Kumar Tayal
Chairman

Place : Mumbai
Date : 29/05/2013

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

ITEM NO. 5:

Shri Navin Kumar Tayal was appointed as an Additional Director by the Board on 25th March, 2013 pursuant to Section 260 of the Companies Act, 1956. He holds office up to this Annual General Meeting. The Company has received a Notice along with the deposit of ₹ 500/- from a member, under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri Navin Kumar Tayal for the office of the Director of the Company.

Shri Navin Kumar Tayal is Graduate in Bachelor of Commerce and having 25 yrs. vast experience in execution of various projects in textiles.

Shri Navin Kumar Tayal is on the Board of several well known Companies such as Krishna Knitwear Technology Limited, K-Lifestyle & Industries Limited and Eskay K'n'it (India) Limited.

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

For and Behalf of the Board of Directors

Sd/-

Navin Kumar Tayal
Chairman

Place : Mumbai
Date : 29/05/2013

ANNUAL REPORT 2012-2013

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 31st Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31st March, 2013.

FINANCIAL RESULTS:

	2012-2013	2011-2012
Revenue from operations	110697.57	141979.83
Cost of Sales	98365.28	125081.80
Finance Cost	26230.56	11190.37
Depreciation and Amortization Expense	10239.75	10197.18
Other Administration Expense	7965.42	5235.17
Profit before Exceptional and Extraordinary Items and Tax	(32103.45)	(9724.71)
Exceptional Items & Extraordinary Items	—	—
Profit/Loss before Tax	(32103.45)	(9724.71)
Provision for Tax	—	—
Deferred Tax Assets/ (Liabilities)	(276.83)	(466.36)
Profit/Loss after Tax	(31826.61)	(9258.35)

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 ₹ 110697.57 Lacs as against ₹ 141979.83 Lacs in respect of the previous Financial Year ended 31st March, 2012. The loss before Depreciation, Interest and Tax is ₹ 7656.03 Lacs in the financial year ended 31st March, 2013 as against profit ₹ 11268.39 Lacs in the previous financial year ended 31st March, 2012. The Company has earned during the year Net Loss of ₹ 31826.61 as against Net Loss of ₹ 9258.35 Lacs in the previous Financial year ended 31st March, 2012 due to decrease in sale and heavy burden of Finance Cost.

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. As per their recommendations, old machines including Ring Frames, requiring expenditure towards repairs and maintenance consuming high power with low output have been identified and shifted to workshop/godowns for appropriate action.

The Company had raised unsecured loan in the earlier years. However, due to liquidity crunch, the Company was unable to pay interest and installments on time. These lenders had asked to either liquidate the loan or to provide some additional collateral security. In order to avoid litigation with these unsecured lenders, the promoters of the Company have pledged 1725626 shares held in the Company to these lenders. The promoters have also agreed to pledge balance 6500000 shares held in the Company with the banks as per CDR scheme.

The Company has leased out certain spaces to improve the bottom line of the Company by earning rental income.

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:

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Company Shri Farindra Bihari Rai and Shri Rajshekhar Ganiger, Directors of the Company are due to retire by rotation at forthcoming Annual General Meeting, and, being eligible, have offered themselves for re-appointment.

Mr. M P Mehrotra has resigned as a Director of the Company w.e.f. 16th July 2012. The Board of Directors place on record the valuable services rendered by them during their tenure as Director of the Company.

Mr. Saurabh Kumar Tayal was appointed as an additional Director w.e.f. from 1st September, 2012 and resigned from Directorship w.e.f. from 5th September, 2012. The Board of Directors place on record the valuable services rendered by them during their tenure as Director of the Company.

KSL AND INDUSTRIES LIMITED

Mr. Ajay Ramesh Gupta has resigned as a Director of the Company w.e.f. 14th December, 2012. The Board of Directors place on record the valuable services rendered by them during their tenure as Director of the Company.

Mr. Navin Kumar Tayal has been appointed as an Additional Director of the Company on 25th March, 2013.

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 2013, 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, 2013 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

M/s. A. F. Khasgiwala & Co., the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. A. F. Khasgiwala & Co., Chartered Accountants, expressing their willingness to continue as Statutory Auditor of the Company. Necessary resolution for appointment of M/s A. F. Khasgiwala & Co., Chartered Accountant as Statutory Auditors, from whom Company has received letter confirmation that their appointment if approved by Shareholder will be within limit prescribed u/s 224(i) of the Companies Act 1956, is placed for consideration and approval of the members of the Company.

As per the requirements of Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records every year. The Company has obtained the written confirmations from Mr. Pradip M Damania, Cost Accountant, to the effect that their appointment, if made, would be within the prescribed limits under section 224 (1-B) read with sub-section (2) of Section 233B of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956 read with provisions of Section 233B & Section 224 of Companies Act 1956. Therefore, subject to the approval of Central Government, the Board has appointed Mr. Pradip M Damania, Cost Accountant, as Cost Auditor of the Company.

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.

ANNUAL REPORT 2012-2013

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 Behalf of the Board of Directors

**Sd/-
Navin Kumar Tayal
Chairman**

**Place : Mumbai
Date : 29/05/2013**

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 2012-13.

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 31.03.2013	Year ended 31.03.2012
A. Power and Fuel Consumption :		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	688.83	470.38
2. Total Amount (₹ in lacs)	4477.42	3019.83
3. Rate/Unit (₹)	6.50	6.42
(b) Own Generation (through Diesel Generator/ Furnace Oil / Gas)		
1. Units (KWH in Lacs)	872.79	556.89
2. Total Amount (₹ in lacs)	5472.40	9.06
3. Cost per unit (₹)	6.27	12.07
2. Coal	—	—
3. Furnace Oil	—	—
4. Others/Internal Generation/Steam	—	—
B. Consumption per unit of production (Product : Yarn & Fabric)		
1. Electricity (KWH per tonne)	2312.17	6303.72
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 31.03.2013	Year ended 31.03.2012
b) Foreign Exchange Outgo (₹ in Lacs)	37,517.37	776.18
c) Foreign Exchange earned (₹ in Lacs)	Nil	Nil

For and Behalf of the Board of Directors

Sd/-

Navin Kumar Tayal
Chairman

Place : Mumbai
Date : 29th May, 2013

CORPORATE GOVERNANCE REPORT

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

1. Company's Philosophy on Code of Governance

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

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

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

2.1 Board of Directors

The Board of Directors consists of 5 Directors.

During the year 2012-13, the board met 4 times on the following dates namely 28th April, 2012, 6th August, 2012, 8th November, 2012, 9th February, 2013. There was no time gap of four months or more between any two meetings.

The name and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the 30th Annual General Meeting held on 14th July, 2012, as also the number of Directorships and Committee Memberships held by them in other Public Companies are given below:

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 Navin Kumar Tayal	NEC	-	No	3	2	2
Shri Ajay Ramesh Gupta*	NEC	3	Yes	Nil	Nil	Nil
Shri Manoj Kumar Sharma	MD	1	Yes	1	1	Nil
Shri Rajshekhar S. Ganiger	ID	2	Yes	4	7	1
Shri Farindra Bihari Rai	NED	4	Yes	8	10	5
Shri Mahesh Prasad Mehrotra*	ID	1	No	12	9	2
Shri Kailash Nath Bhandari	ID	4	No	9	5	1
Shri Saurabh Kumar Tayal**	NED	-	No	6	5	2

*Resignation ** Appointment And Resignation

1. Shri Mahesh Prasad Mehrotra has resigned from Directorship w.e.f. 16/07/2012
2. Shri Saurabh Kumar Tayal was appointed as an Additional Director w.e.f. 01/09/2012 and resigned from Directorship w.e.f. 05/09/2012
3. Shri Ajay Ramesh Gupta has resigned from Directorship w.e.f. 14/12/2012

"NEC" = Non Executive Chairman, "MD" = Managing Director, "ID" = Independent Director, NED = Non- Executive 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.	Shri Navin Kumar Tayal	Graduate	Having 25 yrs. vast experience in execution of various projects in textiles.	3	2	2
2.	Shri Rajshekhar Ganiger	Graduate and having vast experience in Textile Industry. He has vast experience in Spinning and Knitting sector.	Knitting	4	7	1
3.	Shri Farindra Bihari Rai	Graduate and having vast experience in Textile Industry. He has vast experience in Spinning and Knitting sector.	Administration & Planning.	8	10	5

KSL AND INDUSTRIES LIMITED

2.3 Non-Executive Directors Compensation Disclosures

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

Name of Director	Category	Sitting Fees Paid (In ₹)	
		Board Meetings	Committee Meetings
Shri Navin Kumar Tayal	NEC	Nil	Nil
Shri K. N. Bhandari	ID	40,000/-	30,000/-
Shri Rajshekhar S. Ganiger	ID	20,000/-	20,000/-
Shri Farindra Bihari Rai	ID	40,000/-	40,000/-
Mr. Ajay Ramesh Gupta	NED	30,000/-	Nil
Shri M. P. Mehrotra	ID	10,000/-	10,000/-
Total		1,40,000/-	1,00,000/-

3. Board Committees

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

3.1 Audit Committee

The Audit Committee of the Company has been re-constituted in the meeting of the Board of Directors held on 6th August, 2012. The Committee now comprises of Shri Farindra Bihari Rai as the Chairman and Shri Kailash Nath Bhandari & Shri Rajshekhar Ganiger as the members of the Committee.

The constitution of Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49(II)(A) as introduced by the Companies (Amendment) Act, 2000.

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with the Section 292A of the Companies Act, 1956. The terms of reference of the Audit committee are as follows:

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 2012-13, the Audit Committee met 4 times on the following dates namely 28th April, 2012, 6th August, 2012, 8th November, 2012 and 9th February, 2013.

Name of Member	Designation	Attendance
Shri Farindra Bihari Rai	Chairman	4
Shri Rajshekhar Ganiger	Member	2
Shri Kailash Nath Bhandari	Member	3
Shri Mahesh Prasad Mehrotra*	Member	1

*1. Shri Mahesh Prasad Mehrotra has resigned from Membership of the Audit Committee w.e.f. 16/07/2012.

ANNUAL REPORT 2012-2013

3.2 Remuneration Committee

The Company does not have a Remuneration Committee. The remuneration payable to the Managing Director and the sitting fees paid to the Non-Executive Directors is approved by the Board of Directors within the overall limits fixed by the Members of the Company at the General Meetings.

Remuneration to Managing Director and Non-Executive Directors for the year 2012-13.

Name	Salary	Commission	Sitting Fees	Amount
Shri Manoj Kumar Sharma	₹6,00,000	Nil	Nil	₹6,00,000
Non-Executive Directors	Nil	Nil	₹2,40,000	₹2,40,000

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 9th February, 2013. The Committee now comprises of Shri Farindra Bihari Rai as the Chairman and Shri Manoj Kumar Sharma & Shri Rajshekhar Ganiger as the Members of the Committee.

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

During the year 2012-13, the Shareholders'/Investors' Grievance Committee met 4 times on the following dates namely 28th April, 2012, 6th August, 2012, 8th November, 2012 and 9th February, 2013.

Name of Member	Designation	Attendance
Shri Ajay Ramesh Gupta*	Chairman	3
Shri Farindra Bihari Rai	Chairman	4
Shri Rajshekhar Ganiger	Member	2
Shri Manoj Kumar Sharma	Member	—

*1. Shri Ajay Ramesh Gupta has resigned from Membership of the Shareholders'/ Investors' Grievance Committee w.e.f. 14/12/2012.

No of Shareholder's Complaint received so far	:	10
Complaints solved to the satisfaction of shareholders	:	10
Number of pending complaints	:	Nil

3.4 Management and Finance Committee:

The Board of Directors of the Company has constituted Management and Finance Committee in their meeting held on 28th April, 2011. The Management and Finance Committee of the Company has been re-constituted in the meeting of the Board of Directors held on 9th February, 2013. The Committee now comprises of Shri Manoj Kumar Sharma as the Chairman, Shri Rajshekhar Ganiger and Shri Farindra Bihari Rai as the members of the Committee. The Committee is formed to take the decisions and to pass the necessary Resolutions on the day-to-day matters of the Company, on behalf of the Board of Directors.

During the year 2012-13, the Management and Finance Committee met 37. The details of the Meetings of the members are given hereunder:

Name of Member	Designation	Attendance
Shri Manoj Kumar Sharma	Member	37
Shri Farindra Bihari Rai	Member	37
Shri Ajay Ramesh Gupta*	Member	31
Shri Rajshekhar Ganiger	Member	3

*Shri Ajay Ramesh Gupta has resigned from Membership of the Management and Finance Committee w.e.f. 14/12/2012.

4. General Body Meetings

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

Year	Location	Date	Time
2011-12	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	14th July, 2012	12:30 A.M.
2010-11	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	9th July, 2011	12:30 A.M.
2009-10	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	10th July, 2010	02:00 P.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:**

KSL AND INDUSTRIES LIMITED

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 Freepress Journal, Loksatta-Jansatta.
- (b) Management Discussion and Analysis forms integral part of this Annual Report.

7. General Shareholder Information

7.1 Annual General Meeting

- Date and time : 10th August, 2013 at 12.30 p.m.
- Venue : 65, Krishna Nagar, Samarvani, Silvassa (Union Territory of Dadra & Nagar Haveli)

7.2 Financial Year

: 1st April to 31st March
Financial Calendar 2013-14 (tentative) : Annual General Meeting – (Next year) August, 2014

Board Meetings

- Results for the quarter ending June 30, 2013 : Before the 2nd week of August, 2013
- Results for the quarter ending September 30, 2013 : Before the 2nd week of November, 2013
- Results for the quarter ending December 31, 2013 : Before the 2nd week of February 2014
- Results for the year ending March 31, 2014 : Last week of May, 2014

7.3 Book Closure date

: 8th August, 2013 to 10th August, 2013 (Both days Inclusive)

7.4 Dividend Payment Date

: N.A.

7.5 (a) Listing of Equity shares

: BSE Limited

(b) Demat ISIN Numbers in NSDL

: Equity Shares: INE219A01026

7.6 Stock Code

: 530149

(Note : Annual listing fees for the year 2013-14 have been duly paid to the BSE Limited)

7.7 Stock Market Data

KSL AND INDUSTRIES LIMITED					
Month	Open Price	High Price	Low Price	Close Price	No. of Shares
Apr 12	93.30	109.65	80.90	90.65	4,25,993
May 12	92.80	94.80	59.20	71.60	3,61,605
Jun 12	71.50	73.00	57.50	63.40	1,60,384
Jul 12	66.00	66.50	53.45	60.90	2,08,371
Aug 12	60.45	74.00	52.85	66.85	1,92,775
Sep 12	67.50	76.00	49.50	53.45	1,48,126
Oct 12	53.50	58.90	51.00	53.20	1,12,322
Nov 12	53.00	53.70	32.00	49.75	1,03,394
Dec 12	50.00	50.85	40.30	44.20	1,32,455
Jan 13	46.30	46.30	40.00	43.40	2,03,238
Feb 13	43.95	45.80	36.10	38.15	1,19,743
Mar 13	39.00	42.95	28.05	34.85	1,60,262

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 BSE Limited., the Stock Market Details of which has been given as above.

ANNUAL REPORT 2012-2013

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	11333	6519450
5001	-	10000	352	637778
10001	-	20000	25	93280
20001	-	30000	6	33161
30001	-	40000	9	83412
40001	-	50000	3	31510
50001	-	10000	9	159274
100001	-	and above	80	93110460
TOTAL			11817	100668325

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,CM,s	3257889	3.23
3.	Domestic Companies	30470316	30.27
4.	Resident Individuals	27458733	27.28
	TOTAL	100668325	100.00

7.12 a Dematerialization of Shares : Approximately 74.57% of the shares issued by the Company have been dematerialized upto 31st March, 2013

b Liquidity : The Companies shares are listed on the BSE Limited, Mumbai.

7.13 Outstanding FCCB : FCCB of 0.15 million USD listed in Singapore Stock Exchange.

7.14 Plant Location : Silvassa (U.T.) Dombivali, Dist. Thane (Maharashtra)
Nagpur, Maharashtra
Wada, Dist. Thane

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-A, Dhanudyog Indl. Area, Piperia, Silvassa (U.T.)

KSL AND INDUSTRIES LIMITED

DECLARATION

I hereby declare and confirm that requirement of Clause 49 of Listing Agreement has been duly complied with save and except compliance of AS-15 applicable to accounting treatment of gratuity and leave encashment which has been accounted on cash basis.

KSL and Industries Limited

Place : Mumbai
Date : 29th May, 2013

Sd/-
Manoj Kumar Sharma
Managing Director

CEO/CFO CERTIFICATION

I Manoj Kumar Sharma, Managing Director of KSL AND INDUSTRIES LIMITED do certify to the Board that:

- a. I have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of my knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

KSL and Industries Limited

Place : Mumbai
Date : 29th May, 2013

Sd/-
Manoj Kumar Sharma
Managing Director

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted the Code of Conduct for its Board Members and Senior Management Personnel.

I confirm that the Company has in respect of the financial year ended 31st March, 2013, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Executive Directors as on 31st March, 2013.

KSL and Industries Limited

Place : Mumbai
Date : 29th May, 2013

Sd/-
Manoj Kumar Sharma
Managing Director

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

The Management of **KSL AND INDUSTRIES LIMITED** in its Analysis Report laid down the performance and outlook of the Company in order to comply the requirement of Corporate Governance as laid down in the Listing Agreement. However, investors and readers are cautioned that this discussion contains certain forward looking statements that involve risk and uncertainties.

INDUSTRY STRUCTURE AND DEVELOPMENTS

TEXTILE INDUSTRY:

India's Textiles Industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's export worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing export during 12th Five year plan (2012-2017), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. The Textiles Industry accounts for 14% of industrial production, which is 4% of GDP; employ 45 million people and accounts of nearly 11% share of the country's total export basket.

The highlights of Union Budget 2013-2014 in respect of Textiles Sector are Technology Up gradation Fund Scheme (TUFS) to continue in 12th Plan with an investment target of ₹ 1,51,000 crore. The major focus would be on modernisation of the powerloom sector. It is proposed to provide ₹ 2,400 crore in 2013-14 for the purpose.

Allocation of ₹ 50 crore to Ministry of Textile to incentivise setting up Apparel Park within the SITPs to house apparel manufacturing units with an additional grant of upto ₹ 10 crore to each Park.

A new scheme with an outlay of ₹ 500 crore called the Integrated Processing Development Scheme has been proposed to be implemented in the 12th Plan to address the environmental concerns of the textiles industry, including improving the effluent treatment infrastructure. It is proposed to provide ₹ 50 crore in 2013-14 for the scheme.

– Cotton

India is the second largest producer of cotton in the world. The International Cotton Advisory Committee (ICAC) noted that India has produced 7.0 metric tonnes (MT) of cotton during the year. India's production next season is likely to touch 9.0 MT. Cotton is the predominant fabric used in the Indian industry, accounting for nearly 60 per cent of production. The average yield of cotton per hectare in Indian is about 400 kilograms which is considered low. During the year India produced total 47 million bales, out of which 14.5 million has been produced in Gujarat.

– Spinning

The Spinning Industry in India is on set to hit the global market with its enthusiasm and consistency in work. The spinning sector in India is globally competitive in terms of variety, process and production quantity. It has already reached a phenomenal status in India by beating the obstacles that caused a downfall since past few years and is now on its way to cover a wider area in the spinning sector. India has about 54 million spindles (28 per cent of the world).

– Knitting

Weaving and knitting converts cotton, manmade, or blended yarns into woven or knitted fabrics. India's weaving and knitting sector remains highly fragmented, small-scale, and labour intensive.

This sector consists of about 3.9 million handlooms, 470,000 power loom enterprises that operate about 2.8 million looms, and just 162,000 looms in the various composite mills. Power looms are small firms, with an average loom capacity of four to five owned by independent entrepreneurs or weavers. Modern shuttleless looms account for less than 1 percent of loom capacity.

Knitting units are successful in export channels. Some of the prominent weaving / knitting clusters include Tirupur in Tamil Nadu and Ludhiana in Punjab.

i) STRENGTHS, WEAKNESSES, OPPORTUNITY AND THREATS

The present global economic scenario provides ample opportunities for strong integrated textile companies such as like your company. Over the years the Company has built up capacities of scale by installing state-of-art production facilities. By reinforcing its position across the value chain and presenting customers with diversified range of products, the company has developed sustainable business model with strength and resilience to combat any down turn in demand.

Strengths:

- Various types of raw materials are available in abundance.
- The new age creative and risk taking entrepreneurs.
- Use of latest technology which produces high quality multi-fiber raw material.
- Supportive government policies.
- Strong presence across the entire value chain, from fibre to garments.

Weaknesses:

- The increased global competition due to WTO policies.
- Use of outdated manufacturing technology from the low end suppliers.
- Inefficient supply chain management.
- Lack of trained manpower and low labour productivity due to lack of technological development.
- Additionally, this sector is still unorganised at many levels and needs a lot of government reforms for further improvisation.

Opportunities:

- Favourable demographics in the domestic market; increasing young population coupled with rising income levels.

KSL AND INDUSTRIES LIMITED

- Emergence of retail industry as a whole and development of various malls provide huge opportunities for the apparel segment.
- Opportunities in product diversification (for e.g. Technical Textiles).
- Change in consumption pattern, including rising demand for high-quality premium fabrics and development of various products cater to global needs.
- Replacement of the Multi Fibre Agreement (MFA) and integration of the textile industry resulting in huge opportunities for exports. Moreover, gradual development in the technical side of the industry provides an opportunity.

Threats:

- Increased cost based competition from other countries (Bangladesh, Vietnam and Sri Lanka).
- Pricing pressures due to removal of US and EU quotas on imports from China.
- Fluctuations in the demand in export due to the elimination of quota regime.
- Higher borrowing cost which affects the profitability of the small and medium firms.
- Raising input cost.

ii) GOVERNMENT INITIATIVES

The highlights of Union Budget 2013-2014 in respect of Textiles Sector are Technology Up gradation Fund Scheme (TUFS) to continue in 12th Plan with an investment target of ₹ 1,51,000 crore. The major focus would be on modernisation of the power loom sector. It is proposed to provide ₹ 2,400 crore in 2013-14 for the purpose.

Allocation of ₹ 50 crore to Ministry of Textile to incentivise setting up Apparel Park within the SITPs to house apparel manufacturing units with an additional grant of upto ₹ 10 crore to each Park.

A new scheme with an outlay of ₹ 500 crore called the Integrated Processing Development Scheme has been proposed to be implemented in the 12th Plan to address the environmental concerns of the textiles industry, including improving the effluent treatment infrastructure. It is proposed to provide ₹ 50 crore in 2013-14 for the scheme.

iii) AREA OF CONCERNS

The major areas of concerns are however as follows:

1. Certain Regional trade blocks and trade agreements can change competitive parameters.
2. Enhancement of Preferential Access Programme for select countries. For instance, under the new GSP scheme, formulated by the EU, India's textile sector has been graduated while those from Pakistan and other countries (excluding China) have been included.
3. Evolution of Non Tariff Barriers in the form of packaging/labeling requirements, customs and other formalities; environmental safeguards, sanitary and phyto-sanitary measures.
4. The developed countries continue to seek quantitative restrictions on textiles and clothing. Their imports show that quotas are still being used as an instrument of restraining growth. The recent settlement arrived at by the European Commission under intense domestic pressure undermines the free play of market forces.

iv) OUTLOOK

As the industrial and economic growth of the Country is showing steady improvement, the Company has drawn out and is implementing an action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and over-heads, optimizing inventory level, selective credit policy to customers and liquidation of slow-moving inventories and overdue receivables.

The Company with its superior product mix and higher value-addition, coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc., has benefitted significantly during the financial year 2011-2012 and is expected to do the same in the years to come.

B) REAL ESTATE INDUSTRY:

Indian real sector has seen an unprecedented boom in the last few years. This was ignited and fueled by two main forces. First, the expanding industrial sector has created a surge in demand for office-buildings and dwellings. The industrial sector grew at the rate of 10.8 percent in 2006-07 out of which a growth of 11.8 percent was seen by the manufacturing sector. Second, the liberalisation policies of government has decreased the need for permissions and licenses before taking up mega construction projects. Opening the doors to foreign investments is a further step in this direction. The government has allowed FDI in the real since 2002. FDI was deemed necessary in the view of making the sector more organised and increasing professionalism. farmers. The villages adjacent to the metro cities have experienced sky-rocketing land prices. This has induced farmers to sell their land for good money.

The positive outlook of Indian government is the key factor behind the sudden rise of the Indian Real Estate sector - the second largest employer after agriculture in India. This budding sector is today witnessing development in all area such as - residential, retail and commercial in metros of India such as Mumbai, Delhi & NCR, Kolkata and Chennai. Easier access to bank loans and higher earnings are some of the pivotal reasons behind the sudden jump in Indian real estate.

The Indian real estate sector plays a significant role in the country's economy. The real estate sector is second only to agriculture in terms of employment generation and contributes heavily towards the gross domestic product (GDP).

The major development in real estate is of residential in nature, the rest comprises of commercial, shopping, hotel and hospital space.

The Company's flagship realty project christened as "**Empress City**" at Nagpur is progressing well and on its completion it has the potential to generate ₹ 450 Crores in Revenues across three years. The complex being built up on ten Hectare facility will comprise of residential complexes, Five Star Hotels, Shopping Malls, IT Parks, Multiplexes etc. The Company has also undertaken realty projects at other locations also.

REAL ESTATE SECTOR'S

Strength

- Greater professionalism in the industry
- Better product design and quality
- Technologically innovative products

Weakness

- Difficulties in procuring local sanctions
- Inadequate backup by local authorities
- High pricing and limited demand
- Difficulties in the exit route

Opportunities

- Competitive market creation
- Mass investments in the economy
- REITS / MFs
- Improved business environment

Threats

- Displacement of existing players
- Financial risks
- Market risks
- High susceptibility to Litigation

C) Segment-wise performance

The Company's operations can be categorized into two segments namely Textile and Real Estate. However since the operations of the Company in the Real Estate Segment are in the implementation stage, the current financial year's performance relates only to the Textile Segment. The same has been detailed in the Financial Results of the Company.

D) Risk and Concern

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trends may differ materially from historical results, depending on variety of factors. The risk and concerns faced by the Company are similar to those faced by any growing organization in today's dynamic industrial and economic scenario.

There are no major risk and concern to the Company's operation except from the competitive pricing pressure from cheaper imports, unethical competitions from sick units, free market policies and removal of quantitative restrictions.

E) INTERNAL CONTROL SYSTEM

The Company has been maintaining a well-established procedure for internal control system. For the purpose financial control, Company is adequately staffed with experienced and qualified personnel at all levels and play an important role in implementing and monitoring the statutory and Internal policy control environment. There has been a review conducted by M/s. Rakesh M Agarwal & Co., the Internal Auditor, about the financial and operating controls. The Audit Committee of the Company reviews the adequacy of internal audit functions.

F) FINANCIAL PERFORMANCE VS. OPERATIONAL PERFORMANCE

During the year, the Income from operations of Company has substantially decreased to ₹ 110697.57 Lacs as against ₹ 141979.83 Lacs in respect of the previous Financial Year ended 31st March, 2012. The loss before Depreciation, Interest and Tax is Rs 7656.03 Lacs in the financial year ended 31st March, 2013 as against profit ₹ 11268.39 Lacs in the previous financial year ended 31st March, 2012. The Company has earned during the year Net Loss of ₹ 31826.61 as against Net Loss of ₹ 9258.35 Lacs in the previous Financial year ended 31st March, 2012 due to decrease in sale and heavy burden of Finance Cost.

G) DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT

As part of HR-initiatives, thrust is given for Leadership Development to meet the aspirations and long-term goals of the Company. The Company has also laid qualitative objectives to maximize overall growth. Emphasis was placed on building a cohesive workforce to maximize returns to all stakeholders. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

The focus of Human resource is on building and developing intellectual capital through innovative ideas. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

H) RESEARCH AND DEVELOPMENT

Increased globalization has made the marketing of products and retention of customers highly competitive. The need of the hour is total customer satisfaction and value for money from the products marketed. Keeping this objective as paramount, the research and development activities were focused into prompt attention to major customer complaints/ suggestions in order to retain/enhance customer satisfaction. The Company has started launching products of better quality and new look as per customer requirements.

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors.

KSL AND INDUSTRIES LIMITED

AUDITORS' REPORT

To,
The Members of
KSL AND INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **KSL AND INDUSTRIES LIMITED** as at 31st March, 2013, the Profit and Loss Account and also the Cash Flow Statement of the company for the year ended on that date, both annexed Thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003(CARO)and the Companies (Auditor's Report)(Amendment) order 2004 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director of the Company in terms of Section 274(1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India except for the retirement benefit are accounted for on cash basis
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For A. F. KHASGIWALA & CO.
Chartered Accountants

Sd/-
A.F.Khasgiwala
Partner

Mem. No. 006491
Firm Regn No. 105114W

Place : Mumbai
Date : 29.05.2013

ANNEXURE TO THE AUDITORS REPORT

REFERRED TO IN PARAGRAPH 2 OF AUDITORS' REPORT OF EVEN DATE

On the basis of such checks/ audit procedures as we considered appropriate and according to the information and explanation given to us during the course of audit, we state that:

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Fixed Assets.
 - (b) The management has at reasonable intervals carried out the physical verification of the fixed assets. No material discrepancies have been noticed on such verification.
2. In respect of its inventories:
 - (a) The inventories have been verified during the year by the management. In our opinion, having regard to the nature and location of the stocks, the frequency of the physical verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on physical verification of the above referred inventories as compared to the book records were not material and have been properly dealt with in the books of account.
3. The company has neither granted nor taken secured or unsecured loans from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Sub-clause (b), (c) & (d) are not applicable.
4. In our opinion, and according to the information and explanations given to us, in a few cases as the items are of special nature and no alternative quotation are available, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials including components, plant & machinery, equipment and similar assets & purchase of goods and for the sale of goods We have not observed any major weakness in such internal control system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register under section 301 have been so entered.
 - b. According to the information and explanations given to us, purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to ₹500000 or more in respect of each party have been made at prices which are reasonable having regards to the prevailing market price for such goods, materials or services or the prices at which the transactions for similar goods are services have been made with other parties, where applicable.
6. The Company has not accepted any deposits from the public during the year & consequently the provision of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Rules made there under are not applicable.
7. In our opinion, the company has an adequate internal audit system commensurate with the size of the company and nature of its business.
8. We are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government of India under Section 209 (1) (d) of the Act have been maintained. We have, however, not made a detailed examination of such accounts and records.
9. In respect of statutory dues:
 - (a) According to the information and explanations given to us, the Company has generally been regular in deposited undisputed statutory dues including Provident Fund and Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Cess and other material statutory dues with the appropriate authorities though there is delay in some cases.
 - (b) There are no disputed statutory dues. Therefore reporting under this clause does not arise.
10. According to the information and explanations given to us, the company does not have an overdue outstanding to any financial institution or Banks.
11. In our opinion and according to records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In our opinion and according to the information and explanations provided to us the nature of activities of the company does not attract special statute applicable to Chit fund & Nidhi /Mutual benefit / society
13. All shares, debentures and other securities held as investments by the company have been held by the Company in its own name.
14. According to the information and explanations given to us, the Company has given on behalf of Actif Corporation Ltd (Formerly known as Deccan Mills & infrastructure Ltd (Subsidiary company) guarantee for loans taken by others from banks or financial institutions.
15. According to the information and explanations given to us, the working capital and term loans raised during the year were used for the purpose for which they were raised.
16. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on Short-term basis have been used for long term investment.
18. During the year the Company has not made any payment to parties or companies covered in the register maintained u/s 301 of the companies Act, 1956.
19. The Company has not issued debenture during the year.
20. The Company has not raised money by public issue during the year.
21. Based upon the Audit procedure preformed for the purpose of reporting the true and fair view of financial statement as per the information and explanations given to us, no frauds on or by the company has been noticed or reported during the year

For A. F. KHASGIWALA & CO.
Chartered Accountants
Sd/-
A.F.Khasgiwala
Partner
Mem. No. 006491
Firm Regn No. 105114W

Place : Mumbai
Date : 29.05.2013

KSL AND INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes No.	(₹in Lacs)	
		As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	4,026.73	4,026.73
(b) Reserves and Surplus	2.2	5,966.66	37,793.27
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	88,114.11	80,520.54
(b) Deferred Tax Liabilities (Net)	2.4	1,846.34	2,123.18
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(3) Current Liabilities			
(a) Short-Term Borrowings	2.5	32,251.11	32,788.06
(b) Trade Payables	2.6	632.42	695.78
(c) Other Current Liabilities	2.7	11,372.19	13,139.95
(d) Short-Term Provisions	2.8	518.10	1,566.01
Total Equity & Liabilities		144,727.68	172,653.52
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
<i>Tangible Assets</i>			
(i) Gross Block		144,592.38	143,962.06
(ii) Depreciation		55,312.74	45,212.03
(iii) Net Block		89,279.64	98,750.03
Capital work in Progress		2,883.40	2,153.99
<i>Intangible Assets</i>			
Others	2.10	556.16	695.20
(b) Non-current investments	2.11	1,311.95	1,311.95
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current Assets			
(a) Current investments			
(b) Inventories	2.12	27,847.80	31,109.40
(c) Trade receivables	2.13	18,412.58	28,614.46
(d) Cash and cash equivalents	2.14	372.76	533.10
(e) Short-term loans and advances	2.15	4,063.38	9,485.38
(f) Other current assets		-	-
Total Assets		144,727.68	172,653.52

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

The accompanying notes are intergal part of the financial statements

This is the Balance Sheet referred to in our Report of even date

FOR A.F. KHASGIWALA & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
A.F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W

Sd/-
Manoj Kumar Sharma
(Managing Director)

Sd/-
Navin Kumar Tayal
(Director)

Sd/-
Ketan Trivedi
(Company Secretary)

Place: Mumbai
Dated: 29/05/2013

ANNUAL REPORT 2012-2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Notes No.	Year ending 31.03.2013	Year ending 31.03.2012
(₹ in Lacs)			
I Revenue from operations	2.16	110,697.57	141,979.83
I. Total Revenue		<u>110,697.57</u>	<u>141,979.83</u>
II Expenses:			
Cost of Sales	2.17	98,365.28	125,081.80
Finance Costs	2.18	26,230.56	11,190.37
Depreciation and Amortization Expense	2.19	10,239.75	10,197.18
Other Administrative Expenses	2.20	7,965.42	5,235.17
Total Expenses (II)		<u>142,801.02</u>	<u>151,704.53</u>
III Profit before exceptional and extraordinary items and tax	(I - II)	<u>(32,103.45)</u>	<u>(9,724.71)</u>
IV Exceptional Items		-	-
V Profit before extraordinary items and tax		<u>(32,103.45)</u>	<u>(9,724.71)</u>
VI Extraordinary Items		-	-
VII Profit before tax		<u>(32,103.45)</u>	<u>(9,724.71)</u>
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		<u>(276.83)</u>	<u>(466.36)</u>
IX Profit(Loss) from continuing operations		<u>(31,826.61)</u>	<u>(9,258.35)</u>
X Profit/(Loss) from discontinuing operations		-	-
XI Tax expense of discounting operations		-	-
XII Profit/(Loss) from Discontinuing operations		-	-
XIII Profit/(Loss) for the period		<u>(31,826.61)</u>	<u>(9,258.35)</u>
XIV Earning per equity share:			
Equity shares of per value ₹4/-each			
(1) Basic		(31.89)	(9.66)
(2) Diluted		(31.89)	(9.66)
No. of share used in computing earning per share		100,668,325	100,668,325

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:
The accompanying notes are intergal part of the financial statements

This is the Profit & Loss Statement referred to in our Report of even date.

FOR A.F. KHASGIWALA & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
A.F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W
Place: Mumbai
Dated: 29/05/2013

Sd/-
Manoj Kumar Sharma
(Managing Director)

Sd/-
Navin Kumar Tayal
(Director)

Sd/-
Ketan Trivedi
(Company Secretary)

KSL AND INDUSTRIES LIMITED

NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP"), and in compliance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Companies Act, 1956

The preparation of financial statements in conformity with Indian GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets etc. Actual results could differ from these estimates.

1.2 REVENUE RECOGNITION :

- a) Revenue on sale of products is recognized when the products are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Sales are stated net of returns and sales tax collected.
- b) Revenue in respect of insurance/other claims, interest, export incentives etc. is recognized only when it is reasonably certain that the ultimate collection will be made.

1.3. FIXED ASSETS

- a) Own Assets:
Fixed Assets are stated at cost less accumulated depreciation. Cost includes all identifiable expenditure to bring the assets to its present location and condition.
- b) Assets taken on Lease:
Operating Lease:
Assets taken on lease under which, all the risk and reward of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreements and charged to the Profit & Loss Account.

1.4 DEPRECIATION The Company follows the straight line method of providing depreciation at the rates prescribed in Schedule XIV to the Companies Act 1956 read with Section 205(2) (b) of the said Act on pro-rata basis uniformly in respect of all assets.

1.5. INVESTMENTS Long term investments are carried at cost. Less Provision for diminution other than temporary, if any in value of such investments.

1.6. INVENTORIES

Inventories are valued at cost or net realizable value, whichever is lower.

1.7. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

ANNUAL REPORT 2012-2013

Note : 2.1

Share Capital

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
			(₹ in Lacs)
1	AUTHORIZED CAPITAL		
	250000000 Equity Shares of ₹ 4/- each.	10,000.00	10,000.00
	(Previous Year 250000000 Equity Shares of ₹4/-each)		
	50,00,000 Redeemable Preference Shares of ₹10/- each	500.00	500.00
	(Previous year 5000000 Red. Preference Shares of ₹10/- each)		
2	ISSUED & SUBSCRIBED		
	100668325 Equity Shares of ₹ 4/- each fully paid up	4,026.73	4,026.73
	(Previous Year 100668325 Equity Shares of ₹ 4/- each)		
3	PAID UP CAPITAL		
	100668325 Equity Shares of ₹ 4/- each fully paid up	4,026.73	4,026.73
	(Previous Year 100668325 Equity Shares of ₹ 4/- each)		
	Total	4,026.73	4,026.73

2.1(a) Details of share holders holding morethan 5 % shares

Name of Shareholders	As at 31st March,2013		As at 31st March,2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ram Pratap Tayal	11204658	11.13	11204658	11.13
Jyotika Tayal	7025400	6.98	7025400	6.98
Vandana Tayal	7020000	6.67	7020000	6.67
Bhavana Tayal	6474600	6.43	6474600	6.43

2.1(b) Reconciliation of Number of Shares Outstanding as at 1st April 2012 and 31st March,2013 :

EQUITY SHARES :

Particulars	Number	(₹ in Lacs)
Shares outstanding as at the 1st April,2012	100668325	4026.73
Add : Shares issued during the period	NIL	NIL
Shares outstanding as at 31 st March,2013	100668325	4026.73

Note : 2.2 Reserve & Surplus

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
			(₹ in Lacs)
(a)	Reserves		
	General Reserve	5,527.48	5,527.48
	Share Premium Account	23,888.34	23,888.34
	Capital Reserve	3.76	3.76
	Total (a)	29,419.58	29,419.58
(b)	Surplus		
	Profit & Loss Account		
	Balance brought forward from previous year	8,373.69	17,632.03
	Add: Net Profit/(Net Loss) for the period	(31,826.61)	(9,258.34)
	Total (b)	(23,452.92)	8,373.69
	Total (a+b)	5,966.66	37,793.27

KSL AND INDUSTRIES LIMITED

Note : 2.3 Long Term Borrowing

		(₹ in Lacs)	
Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
Secured			
1	Term Loan from Banks*	29,364.11	34,891.24
2	ECB Loan	4,680.89	4,680.89
3	FITL Working Capital loan from Banks**	3,548.27	—
Unsecured			
1	From Corporates	50,441.54	14,000.00
2	FCCB Liability	79.29	26,948.41
Total		88,114.11	80,520.54

* ₹8139.70 (previous year ₹9089.19 Lacs) Secured by 1st Charge over the Fixed Assets both Movable and Immovable assets of Textile division of the company and 2nd Charge over the entire current Assets of the company and Personal guarantee of Mr Saurabh K. Tayal, Advisor of the Company and Corporate guarantee of M/s Kalameshwar Textile Mills Ltd. [Terms of Repayment 6 Years]

*Term Loan of ₹22592.74 Lacs (Previous Year ₹27150.33 Lacs) is Secured by 1st Mortgage Charge on the shopping mall Empress City, Nagpur [Terms of Repayment 8 Years]

**Accumulated interest facility under CDR mechanism on Working Capital Loan.

Note : 2.4 Deferred Tax Liability

		(₹ in Lacs)	
Particulars	As at 31.03.2013	As at 31.03.2012	
Depreciation on Fixed Assets	1,846.34	2,123.18	
Total	1,846.34	2,123.18	

Note : 2.5 Short Term Borrowing

		(₹ in Lacs)	
Particulars	As at 31.03.2013	As at 31.03.2012	
Secured			
Working capital Loan *			
From Banks	31,564.04	32,788.06	
FITL Term Loan**			
From Banks	687.08	—	
Total	32,251.11	32,788.06	

*1st pari-pasu charge on the current assets both present and future of the company.

** 2nd pari-pasu charge on the entire fixed assets both present and future of the company.

Personal guarantee of Mr Saurabh K. Tayal, Advisor of the company [Terms of Repayment 1 Years (every year renewal)]

**Accumulated interest facility under CDR mechanism on Term Loan.

Note : 2.6 Trades Payable

		(₹ in Lacs)	
Particulars	As at 31.03.2013	As at 31.03.2012	
1 Sundry Creditors for Material/Supplies	632.42	695.78	
Total	632.42	695.78	

Note : 2.7 Other Current Liabilities

		(₹ in Lacs)	
Particulars	As at 31.03.2013	As at 31.03.2012	
1 Interest Accrued & due	1,471.02	1,471.28	
2 Interest Accrued but not due	—	167.44	
3 Others Liabilities	9,901.17	1,501.23	
4 Share Application money received for allotment of securities and due for refund	—	10,000.00	
Total	11,372.19	13,139.95	

Note : 2.8 Short Term Provisions

		(₹ in Lacs)	
Particulars	As at 31.03.2013	As at 31.03.2012	
1 Provision for Taxation	—	—	
2 outstanding Expenses payable	518.10	1,566.01	
Total	518.10	1,566.01	

ANNUAL REPORT 2012-2013

Note- 2.9: FIXED ASSETS AS ON 31.03.2013

(₹ in lacs)

SR NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		At Cost 1.4.2012	Addition	Dedu- ction	As on 31.03.2013	As on 1.4.2012	Dedu- ction	During the Year	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
1	Land & Building(emp)	30399.57	630.33	0.00	31029.89	2069.12	0	725.26	2794.38	28235.52	28330.45
2	Land & Site Development	4008.25	0.00	0.00	4008.25	0.00	0	0.00	0.00	4008.25	4008.25
3	Building	25645.89	0.00	0.00	25645.89	3530.71	0	856.57	4387.28	21258.61	22115.18
4	Residential Building	127.93	0.00	0.00	127.93	25.58	0	2.09	27.67	100.26	102.35
5	Plant & Machinery	81527.99	0.00	0.00	81527.99	38922.04	0	8393.08	47315.12	34212.88	42605.95
6	Electric Installation	958.71	0.00	0.00	958.71	177.32	0	45.54	222.86	735.85	781.40
7	Furniture & Fixtures	308.66	0.00	0.00	308.66	145.96	0	19.17	165.13	143.53	162.70
8	Air Conditioner	134.76	0.00	0.00	134.76	50.06	0	8.49	58.55	76.21	84.71
9	Office Equipment	700.82	0.00	0.00	700.82	150.30	0	44.28	194.58	506.24	550.53
10	Computers	83.76	0.00	0.00	83.76	83.12	0	0.00	83.12	0.64	0.64
11	Vehicle	65.72	0.00	0.00	65.72	57.82	0	6.24	64.06	1.66	7.90
	Total	143962.06	630.33	0.00	144592.38	45212.03	0	10100.71	55312.74	89279.64	98750.04
	Capital Work in Porgress(tex)	1523.66	0.00	0.00	1523.66	0.00	0	0.00	0.00	1523.66	1523.66
	Capital Work in Porgress(rel)	630.33	1359.75	630.33	1359.74	0.00	0	0.00	0.00	1359.74	630.33
	TOTAL	146116.05	1990.07	630.33	147475.78	45212.03	0	10100.71	55312.74	92163.05	100904.01
	PREVIOUS TOTAL	146028.00	87.96	0.00	146116.04	35153.89	0	10058.14	45212.03	100904.01	110874.20

Note : 2.10 Fixed Assets (other)

(₹in Lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Miscellaneous Expenditure (To the extent not adjusted or written off)		
Deffered revenue expenditure	695.20	834.24
Less : Written off during the year	139.04	139.04
Total	556.16	695.20

Note : 2.11 Non current Investment

(₹in Lacs)

Sr. No	Particulars	No.of share	As at 31.03.2013	As at 31.03.2012
(a)	Investment in Equity Instruments ;			
(i)	Quoted Shares			
	Asahi Fibres Ltd. Of ₹1/- each Fully paid up	16000000	160.00	160.00
(ii)	Unquoted Shares			
	In Subsidiary Companies			
	Actif Corporation Ltd.of ₹10/- each fully paid up	49994	5.00	5.00
	Kalmeshwar Textiles Mills Ltd.of ₹10/- each fully paid up	1641598	1,050.00	1,050.00
	In others			
	Mori hanol Hydro-power ltd.of ₹10/-each fully paid up	499996	50.00	50.00
	Tayal Energy Ltd. ₹10/-each fully paid up	469500	46.95	46.95
	Total	18,661,088	1,311.95	1,311.95
	Aggregate Book Value of Quoted Investments		160.00	160.00
	Aggregate Market Value of Quoted Investments		1268.80	5336.00
	Aggregate Book Value of Unquoted Investments		1,151.95	1,151.95

KSL AND INDUSTRIES LIMITED

Note : 2.12 Inventories

Sr. No	Particulars	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
(a)	Textiles :		
1	Raw Material	19,287.99	20,165.88
2	Work-in-Progress	2,525.10	3,738.68
3	Finished Goods	2,364.25	3,586.05
4	Consumables	139.18	87.52
	Total (a)	24,316.52	27,578.12
(b)	Real Estate :		
1	Marol Maroshi Project	1,994.44	1,994.44
2	Kandivali Project	1,536.84	1,536.84
	Total (b)	3,531.28	3,531.28
	Total (a+b)	27,847.80	31,109.40

Note : 2.13 Trade Recievables

Sr. No	Particulars	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
1	Outstanding for more than six months		
a)	Secured, Considered Good :	—	—
b)	Unsecured, Considered Good :	79.81	54.97
c)	Doubtful	—	—
2	Others		
a)	Secured, Considered Good :	—	—
b)	Unsecured, Considered Good :	18,332.77	28,559.50
c)	Doubtful	—	—
	Total	18,412.58	28,614.46

Note : 2.14 Cash & Cash Equivalent

Sr. No	Particulars	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
(a)	Cash-in-Hand		
	Cash Balance	8.04	32.66
	Sub Total (a)	8.04	32.66
(b)	Bank Balance		
	In Current Account	85.75	214.89
	Sub Total (b)	85.75	214.89
(c)	Fixed Deposit		
		278.96	285.55
	Sub Total (c)	278.96	285.55
	Total [A + B + C]	372.76	533.10

Note : 2.15 Short Terms Loans and Advances

Sr. No	Particulars	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
1	Others	3,762.54	9,132.49
	Advance Recoverable in cash or in kind or for value to be considered good		
2	Subsidiary receivable	300.84	352.89
	Total	4,063.38	9,485.38

ANNUAL REPORT 2012-2013

NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note : 2.16 Revenue from Operations

Sr. No	Particulars	Year ending 31.03.2013	Year ending 31.03.2012
			(₹in Lacs)
(a)	sale of Product :	109,284.57	142,520.51
	Less : Rebate / Discount	—	3,510.92
		<u>109,284.57</u>	<u>139,009.59</u>
(b)	Sale of Services :	1,413.00	995.33
(c)	other Income :	—	1,974.91
	Total	<u><u>110,697.57</u></u>	<u><u>141,979.83</u></u>

Note : 2.17 Cost of Sales

Sr. No	Particulars	Year ending 31.03.2013	Year ending 31.03.2012
			(₹in Lacs)
a)	MATERIALS AND GOODS CONSUMED		
	Opening Stock	20,165.88	12,962.23
	Add : Purchases	74,040.31	110,438.69
		<u>94,206.19</u>	<u>123,400.92</u>
	Less : Closing Stock	19,287.99	20,165.88
	Raw Material Consumed	<u>74,918.19</u>	<u>103,235.04</u>
	Sub total (a)		
b)	CHANGE IN INVENTORIES		
	Opening Stock :		
	Finished goods	3,586.05	5,555.12
	Work in progress	3,738.68	3,763.03
		<u>7,324.73</u>	<u>9,318.15</u>
	Total (i)		
	Closing Stock :		
	Finished goods	2,364.25	3,586.05
	Work in progress	2,525.10	3,738.68
		<u>4,889.35</u>	<u>7,324.73</u>
	Total (ii)		
	Sub total (b)(i-ii)	<u>2,435.38</u>	<u>1,993.42</u>
c)	DIRECT/PRODUCTIONS EXPENSES		
	Power & Fuel	9,949.83	9,741.39
	Stores, chemical & Packing Materials	2,846.52	2,567.02
	Labour Charges	5,906.72	5,953.43
	Processing & Job work charges	656.36	422.67
	Freight Charges	85.12	146.63
	Repair & Maintenance	934.96	586.33
	Water Charges	142.46	172.53
	Loading & Unloading Expenses	489.74	263.33
		<u>21,011.71</u>	<u>19,853.33</u>
	Sub total (c)		
	Total (a+b+c)	<u><u>98,365.28</u></u>	<u><u>125,081.80</u></u>

KSL AND INDUSTRIES LIMITED

Note : 2.18 Finance Cost

Particulars	(₹in Lacs)	
	Year ending 31.03.2013	Year ending 31.03.2012
Interest Cost	14,346.71	10,934.96
Other borrowing cost	89.90	255.41
Loss on foreign currency transaction	11,793.95	—
Total	26,230.56	11,190.37

Note : 2.19 Depreciation & Amortization Expenses

Particulars	(₹in Lacs)	
	Year ending 31.03.2013	Year ending 31.03.2012
Depreciation	10,100.71	10,058.14
Miscellaneous Expenses W/off	139.04	139.04
Total	10,239.75	10,197.18

Note : 2.20 Other Administrative Expenses

Particulars	(₹in Lacs)	
	Year ending 31.03.2013	Year ending 31.03.2012
Commission & Brokerage	42.84	12.15
Sales Promotion Expenses	522.06	186.46
Transportation Charges	302.11	336.99
Insurance Charges	39.34	52.45
Rent,Rates and Taxes	158.43	37.45
Directors Remuneration	6.00	6.00
Directors Sitting Fees	2.40	3.24
Legal,Professional & Consultancy Charges	327.85	264.00
Travelling & Conveyance	779.02	422.69
Auditors Remuneration	1.12	1.10
Telephone Charges	438.60	251.09
Salary & Staff Welfare Expenses	1,057.30	944.02
Security Charges	23.68	48.96
Postage & Telegram	98.74	166.69
Printing & Stationery	846.89	426.97
General Expenses	109.04	69.78
Motor Car Expenses	430.26	214.69
Electricity Charges (Net)	305.89	178.69
Repairs and Maintenance Building	785.46	56.69
Repairs and Maintenance Others	402.15	116.09
Computer Expenses	325.48	316.41
Advertisement Expenses	556.42	896.06
Office Expenses	346.08	178.69
Service Charges	56.12	45.69
Registration & filling Fees	1.28	1.26
Listing Fees	0.87	0.85
Total	7,965.42	5,235.17

ANNUAL REPORT 2012-2013

NOTES TO THE ACCOUNTS

- a. Employee benefits :
- Provident fund has been paid regularly in time by the company
 - Gratuity and Leave encashment are accounted for in cash basis as and when paid.
- b. i. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes as a substantial period of time to get ready for its intended use or sale.
- All other borrowing costs are charged to revenue in the period in which they are incurred.
- c. The company has two business segment namely "Textiles" and "Real Estate" hence segment reporting as required under AS-17 issued by ICAI and made mandatory w. e.f. 1/04/2001 for certain business enterprises is applicable in case of company,
- d. AS-18 Related Party Disclosure: AS per accounting Standard -18 "Related Party Disclosures" issued by ICAI related parties of the company and nature of relationship are as follows :

Related Party	Nature of Relationship
Kalameshwar Textile Mills Ltd.	100% Subsidiary company
Actif Corporation Ltd	Subsidiary company u/s 4(1)(a)
M.K.Sharma	Key Management person

Disclosure of related party transactions:

Related Party	Nature of Relationship	Nature of Transaction	Volume of Transaction (₹ Lacs)
M.K.Sharma	Key Management Person	Remuneration	6.00

- e. AS-19 Leases The Company has taken various Assets on Lease and leave license basis, all leases are operating leases the details of the same are as under:

(₹ in Lacs)			
S. No.	Future Lease Payments	2012-13	2011-12
1	Not later than 1Year	0	0
2	Later than 1Year but not later than 5Years	-	-
3	Later than 5Years	-	-

- f. **Contingent Liabilities and Commitments (to the extent not provided for) :**

(₹ in Lacs)		
Particular	As at 31st March 2013	As at 31st March 2012
(i) Contingent Liabilities :		
(a) Claims against the company not acknowledge as debt	—	—
(b) Guarantees given by the Company	340.11	365.11
(c) Corporate Guarantee Given :	—	—

- g. Deferred Tax assets & Liabilities

Deferred tax has been provided in a accordance with the Accounting Standard-22 – "Accounting for taxes on income" issued by the ICAI applicable with effect from 1st April 2001. The Accumulated Deferred tax liability as on 31st March, 2013 amounting to ₹466.36 Lacs is the difference between the book depreciation and tax depreciation.

- h. Impairment of Assets:-

The carrying cost of assets are reviewed at each balance sheet date to find out any indication of impairment based on the internal & external facto. An assets is treated as impairment when the carrying cost of the assets exceeds its recoverable amount. An impairment loss if any, charged to P&L a/c. in the year in which the assets is identified as impaired. Reversal of impairment loss recognized in prior years is recorded when there is an indication that impairment loss recognized for the assets no longer exists or has decreased,

- i. There are no parties which can be classified as small scale industries to whom the Company owes a sum exceeding ₹ 1 Lacs, which is outstanding for more than 30 days.
- j. Balances in respect of some of the Debtors, Creditors, Loans and Advances are subject to confirmations.
- k. CENVAT: Capital expenditure and raw materials have been taken at net value after adjusting CENVAT, wherever applicable as per guidelines issued by The Institute of Chartered Accountants of India..
- l. In the opinion of the Board, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, the provisions for all known liabilities are adequate and not in excess than reasonably necessary.

KSL AND INDUSTRIES LIMITED

m. Additional Information under part II of schedule VI of Companies Act 1956		
a) Remuneration to Auditors		(₹ in Lacs)
	2012-2013	2011-2012
Audit Fee	0.97	0.94
Tax Audit Fee	0.15	0.15
b) Remuneration to Managing Director	6.00	6.00
n. Foreign Exchange Exposures:-		
		(₹ in Lacs)
Particulars	2012-2013	2011-2012
FCCB Principal Repayment	37283.92	Nil
Interest on FCCB	92.19	649.31
Interest on ECB	141.26	126.87
Total	37517.37	776.18
o. Break-up Expenditure on employees who were in receipt of remuneration aggregating not less than ₹ 60,00,000/-, if employed throughout the year or not less than ₹ 500,000/- p.m. if employed for part of the year.		
i. Employed throughout the year - Number of Employees	NIL	NIL
ii. Employed for the part of the year-Number of Employees	NIL	NIL
p. During the year, the company had approached the Corporate Debt Restructuring (CDR) Cell for restructuring of the debts under the CDR mechanism. The company's CDR proposal has been approved by the CDR Empowered Group and the company has given effect thereof in the books during the current financial year. As per the CDR scheme, 01 st January,2012 was fixed as cut-off date. Interest Payable from cut-off date up to 31.03.13 is converted into FITL at the rate approved by CDR..		
q. Technology up gradation and Modernisation of plant and machinery:-		
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 Modernisation. As 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.		
r. Figures of previous year have been re-grouped/re-arranged wherever necessary to confirm to this year's classification.		
s. Expenditure in Foreign Currency: (₹ Lacs)	2012-13	2011-12
a) Value of Imported capital goods on CIF	NIL	NIL
b) Traveling Expenses	NIL	NIL
c) Remittance of dividend to NRIs AND FIIs	NIL	NIL

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

AS PER OUT REPORT OF EVEN DATE

FOR A.F. KHASGIWALA & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
A.F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W
Place: Mumbai
Dated: 29/05/2013

Sd/-
Manoj Kumar Sharma
(Managing Director)

Sd/-
Navin Kumar Tayal
(Director)

Sd/-
Ketan Trivedi
(Company Secretary)

ANNUAL REPORT 2012-2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

PARTICULARS	2012-2013	(₹ In lacs) 2011-2012
I CASH INFLOWS		
(1) From Operating activities		
(a) Profit from operating activities		
Adjustments :		
Depreciation and amortization	10234.52	10197.18
(b) Working capital changes :		
Decrease in inventories	3261.60	—
Decrease in trade receivables	10201.88	—
Decrease in short-term loans and advances	—	1069.92
Decrease in other current assets		
Increase in trade payables		
Increase in other current liabilities	—	1016.85
Increase in provisions	—	449.89
Total of (1)	23698.00	12733.84
(2) From Investing activities		
(a) Proceeds from sale of fixed assets		
(b) Proceeds from sale of investments		
(c) Realisation of long-term loans and advances from subsidiaries / associates / business ventures		
(d) Decrease in other long-term loans and advances		
(e) Decrease in other non-current assets	—	4000.00
(f) Dividend received		
(g) Interest received		
(h) Other income		
Total of (2)	0.00	4000.00
(3) From Financing activities		
(a) Proceeds from issue of share capital		
(b) Share application money pending allotment		
(c) Proceeds from long-term borrowings	31228.77	—
(d) Proceeds from short-term borrowings	—	8665.37
Total of (3)	31228.77	8665.37
Total cash inflows (1+2+3)	54926.77	25399.21
II CASH OUTFLOWS		
(1) From Operating activities		
(a) Loss from operating activities		
Adjustments :		
Depreciation and amortization	27892.64	9724.70
(b) Working capital changes :		
Increase in inventories	—	5530.49
Increase in trade receivables	—	2889.69
Increase in short-term loans and advances	22418.76	—
Increase in other current assets		
Decrease in trade payables	63.35	47.44
Decrease in other current liabilities	1767.76	—
Decrease in provisions	1047.91	—
(c) Direct taxes paid (Net of refunds)		
Total of (1)	53190.42	18192.32

KSL AND INDUSTRIES LIMITED

PARTICULARS	2012-2013	(₹ In lacs) 2011-2012
(2) From Investing activities		
(a) Purchase of tangible assets / capital work -in-progress	88.04	1359.74
(b) Purchase of intangible assets /assets under development		
(c) Purchase of investments		
(d) Investment in subsidiaries / associates / business ventures		
(e) Payment of long-term loans and advances to subsidiaries / associates / business ventures		
(f) Increase in other long-term loans and advances		
(g) Increase in other non-current assets		
Total of (2)	1359.74	88.04
(3) From Financing activities		
(a) Repayment of long-term borrowings	—	7336.83
(b) Repayment of short-term borrowings	536.95	—
(c) Dividends paid (including distribution tax)		
(d) Interest and other finance costs		
(e) Share issue expenses		
Total of (3)	536.95	7336.83
Total cash inflows (1+2+3)	55087.11	25617.19
III Net (decrease) / increase in cash and cash equivalents (I - II)	(160.34)	(217.93)
Add : Cash and cash equivalents at the beginning of the period	533.10	751.03
IV Cash and cash equivalents at the end of the period	372.76	533.10
	160.34	217.93

This is the Balance Sheet referred to in our Report of even date

FOR A.F. KHASGIWALA & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
A.F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W
Place: Mumbai
Dated: 29/05/2013

Sd/-
Manoj Kumar Sharma
(Managing Director)

Sd/-
Navin Kumar Tayal
(Director)

Sd/-
Ketan Trivedi
(Company Secretary)

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of **KSL and Industries Limited** for the year ended 31st March, 2013. The Statement has been prepared by the company in accordance with the requirements of Listing Agreement Clause 32 with Bombay Stock Exchanges and is based on and is in Agreement with the corresponding Statement of Profit and Loss account for the year and Balance Sheet as at 31.03.2013 of the company as per report to the members of the company.

For A.F. KHASGIWALA & CO.
Chartered Accountants

Sd/-
A.F. Khasgiwala
Partner
Membership No. 006491
Firm Regn No.105114W

Place : Mumbai
Date : 29.05.2013

ANNUAL REPORT 2012-2013

CONSOLIDATED AUDITORS' REPORTS

To,
**THE MEMBERS OF
KSL AND INDUSTRIES LTD.**

We have examined the attached consolidated balance sheet of KSL and Industries Limited(the Company) and its subsidiaries which together constitute "the group" as at 31st March 2013, the consolidated Profit & Loss Account and the consolidated Cash Flow Statement of the group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also include, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. We have also audited the financial statements of the subsidiaries namely Kalmeshwar Textile Mills Ltd, & Actif Corporation Limited (formely known as Deccan Mills Real estate and Infrastructure Ltd), whose financial statements reflect total assets of ₹ 369.13 lakhs, ₹ 34,377.09 lakhs as at 31st March, 2013 and total revenues of ₹ 453.85 lakhs, ₹ 40,200.56 lakhs respectively for the period ended on that date.
3. We report that the consolidated financial statements have been prepared by the company, in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of KSL and Industries Limited and the separate audited accounts of subsidiaries which have been included in the consolidated financial statements.
4. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on the individual audited financial statements of the KSL and Industries Limited and its subsidiaries, In our opinion the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the consolidated balance sheet, of the state of affairs of KSL and Industries Limited and its subsidiaries as at 31st March, 2013;
 - b) In the case of the consolidated profit and loss account, of the consolidated Loss for the year ended on that date.
 - c) In the case of the consolidated cash flow statement of the cash flow for the year ended on that date.

**For A. F. KHASGIWALA & CO.
Chartered Accountants**

**Sd/-
A. F. KHASGIWALA
Partner
Membership No. 006491
Firm Regn. No.: 105114W**

**Place : Mumbai
Date : 29.05.2013**

KSL AND INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes No.	₹ In lacs)	
		As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	8,026.73	8,026.73
(b) Reserves and Surplus	2.2	(1,335.61)	38,025.90
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	1,08,218.09	1,07,790.30
(b) Deferred Tax Liabilities (Net)	2.4	2,626.21	3,132.75
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(3) Current Liabilities			
(a) Short-Term Borrowings	2.5	42,166.81	42,917.13
(b) Trade Payables	2.6	1,002.27	1,117.46
(c) Other Current Liabilities	2.7	17,506.39	14,355.96
(d) Short-Term Provisions	2.8	869.08	3,150.28
Total Equity & Liabilities		1,79,079.97	2,18,516.52
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	2.9		
Tangible Assets			
(i) Gross Block		1,82,781.81	1,82,151.50
(ii) Depreciation		72,579.38	58,882.84
(iii) Net Block		1,10,202.43	1,23,268.66
Capital work in Progress		2,883.40	2,153.99
Intangible Assets			
Goodwill		663.43	663.43
(b) Non-current investments	2.10	256.95	256.95
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
others	2.11	558.53	697.76
(2) Current Assets			
(a) Current investments			
(b) Inventories	2.12	35,877.24	42,744.36
(c) Trade receivables	2.13	22,798.65	37,952.97
(d) Cash and cash equivalents	2.14	403.40	567.50
(e) Short-term loans and advances	2.15	5,435.96	10,210.90
(f) Other current assets		-	-
Total Assets		1,79,079.97	2,18,516.52

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

The accompanying notes are integral part of the financial statements

This is the Balance Sheet referred to in our Report of even date

FOR A.F. KHASGIWALA & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
A.F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W

Sd/-
Manoj Kumar Sharma
(Managing Director)

Sd/-
Navin Kumar Tayal
(Director)

Place: Mumbai
Dated: 29/05/2013

Sd/-
Ketan Trivedi
(Company Secretary)

ANNUAL REPORT 2012-2013

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Notes No.	Year ending 31.03.2013	Year ending 31.03.2012
I Revenue from operations	2.16	1,51,351.98	1,97,800.59
I. Total Revenue		1,51,351.98	1,97,800.59
II Expenses:			
Cost of Sales	2.17	1,39,239.31	1,75,746.77
Finance cost	2.18	28,880.92	14,124.03
Depreciation and Amortization Expense	2.19	13,835.80	13,794.67
Other Administrative Expenses	2.20	9,263.78	6,730.94
Total Expenses (II)		191,219.81	2,10,396.43
III Profit before exceptional and extraordinary items and tax	(I - II)	(39,867.83)	(12,595.84)
IV Exceptional Items		-	-
V Profit before extraordinary items and tax		(39,867.81)	(12,595.84)
VI Extraordinary Items		-	-
VII Profit & Loss on Disposal of subsidiary of consolidation		-	(223.94)
VIII Profit before tax		(39,867.81)	(12,819.78)
IX Tax expense:			
(1) Current tax		0.22	0.21
(2) Short provision for tax in earlier year		-	-
(3) Deferred tax		(506.52)	(537.23)
Add: Minority Shareholders share in Loss		-	1702.68
X Profit(Loss) from continuing operations		(39,361.51)	(10,580.08)
XI Profit/(Loss) from discontinuing operations		-	-
XII Tax expense of discounting operations		-	-
XIII Profit/(Loss) from Discontinuing operations		-	-
XIV Profit/(Loss) for the period		(39,361.51)	(10,580.08)
XV Earning per equity share:			
(1) Basic		(39.10)	(10.51)
(2) Diluted		(39.10)	(10.51)
No. of share used in computing earning per share		100668325.00	100668325.00

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:
The accompanying notes are intergal part of the financial statements

This is the Balance Sheet referred to in our Report of even date

FOR A.F. KHASGIWALA & CO.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
A.F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W

Sd/-
Manoj Kumar Sharma
(Managing Director)

Sd/-
Navin Kumar Tayal
(Director)

Place: Mumbai
Dated: 29/05/2013

Sd/-
Ketan Trivedi
(Company Secretary)

KSL AND INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	2012-2013	2011-2012
(₹ In lacs)		
I CASH INFLOWS		
(1) From Operating activities		
(a) Profit from operating activities		
Adjustments :		
Depreciation and amortization	13,835.80	13,794.66
(b) Working capital changes :		
Decrease in inventories	6,867.12	9,500.53
Decrease in trade receivables	15,154.32	-
Decrease in short-term loans and advances	4,774.94	163.81
Decrease in other current assets	-	-
Increase in trade payables	-	-
Increase in other current liabilities	3,150.43	-
Increase in provisions	-	563.45
Total of (1)	43,782.61	24,022.45
(2) From Investing activities		
(a) Proceeds from sale of fixed assets		
(b) Proceeds for Disposal of Subsidiary company	-	5,027.20
(b) Proceeds from sale of investments		
Total of (2)	-	5,027.20
(3) From Financing activities		
(a) Proceeds from issue of share capital		
(b) Share application money pending allotment		
(c) Proceeds from long-term borrowings	427.79	-
(d) Proceeds from short-term borrowings	-	13,038.01
Total of (3)	427.79	13,038.01
Total cash inflows (1+2+3)	44,210.40	42,087.65
II CASH OUTFLOWS		
(1) From Operating activities		
(a) Loss from operating activities		
Adjustments :		
Depreciation and amortization	39,868.03	12,819.56
(b) Working capital changes :		
Increase in inventories		
Increase in trade receivables	-	4,426.65
Increase in short-term loans and advances		
Increase in other current assets		
Decrease in trade payables	115.19	80.04
Decrease in other current liabilities	-	3,293.15
Decrease in provisions	2,281.20	-
(c) Direct taxes paid (Net of refunds)		
Total of (1)	42,264.42	20,619.40
(2) From Investing activities		
(a) Purchase of tangible assets / capital work-in-progress	1,359.75	87.96
(b) Purchase of intangible assets /assets under development		
(c) Purchase of investments		
(f) Increase in other long-term loans and advances		
(g) Increase in other non-current assets		
Total of (2)	1,359.75	87.96

ANNUAL REPORT 2012-2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	2012-2013	(₹ In lacs) 2011-2012
(3) From Financing activities		
(a) Repayment of long-term borrowings	-	21630.10
(b) Repayment of short-term borrowings	750.32	-
(c) Dividends paid (including distribution tax)		
(d) Interest and other finance costs		
(e) Share issue expenses		
Total of (3)	750.32	21630.10
Total cash inflows (1+2+3)	44,374.49	42,337.46
III Net (decrease) / increase in cash and cash equivalents (I - II)	(164.10)	(249.80)
Add : Cash and cash equivalents at the beginning of the period	567.50	817.30
IV Cash and cash equivalents at the end of the period	403.40	567.50

As per our Report of even date

FOR A.F. KHASGIWALA & CO.
Chartered Accountants

Sd/-
A.F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W

Place: Mumbai
Dated: 29/05/2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Manoj Kumar Sharma
(Managing Director)

Sd/-
Navin Kumar Tayal
(Director)

Sd/-
Ketan Trivedi
(Company Secretary)

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of **KSL and Industries Limited** for the year ended 31st March, 2013. The Statement has been prepared by the company in accordance with the requirements of Listing Agreement Clause 32 with Bombay Stock Exchanges and is based on and is in Agreement with the corresponding Statement of Profit and Loss account for the year and Balance Sheet as at 31.03.2013 of the company as per report to the members of the company.

For A.F.KHASGIWALA & CO.
Chartered Accountants

Sd/-
A.F.Khasgiwala
Partner
Membership No. 006491
Firm Regn No.105114W

Place : Mumbai
Dated : 29/05/2013

KSL AND INDUSTRIES LIMITED

Consolidated Financial Statements as on 31st March, 2013

1) SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1.1. ACCOUNTING CONVENTION & CONCEPTS:

The financial statements have been prepared under the historical cost convention on an accrual basis and accordance with applicable mandatory Accounting Standard.

1.2. PRINCIPLE OF CONSOLIDATION:

- i) The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) issued by the Institute of Chartered Accountants of India. The consolidated financial statements have been prepared on the following basis:
- ii) The financial statement of KSL and Industries Limited And its subsidiary companies have been consolidated on a line-by line basis by adding together the book values of like items of assets, liabilities, Income and expenses, after fully eliminating intra-group balances and intra-group transaction and are presented to the extent possible in the same manner as the company's separate financial statement
- iii) Notes on Accounts of the financial statement of the company and all the subsidiaries are set out in their respective financial statement
- iv) Actif Corporation Ltd. (formerly known as Deccan Mill & infrastature Ltd was 100% subsidiary of the company) However Actif Corporation Ltd ceased to be a subsidiary company on account of dilution of company's share holding in Actif corporation Ltd due to further issue of equity shares capital by the said company. Later Actif corporation Ltd accerere became subsidiary company on account of control on the constitution of the Board of Directors of Actif corporation Ltd by the company. Since the company's share holding in Actif corporation Ltd is only 0.16% of the paid up capital of the Actif corporation Ltd, In consolidated statements the said subsidiaries has been excluded.

1.3 FIXED ASSETS:

Fixed Assets are stated at cost less depreciation. The cost comprises the purchase price and other attributable costs.

1.4. DEPRECIATION:

Depreciation on fixed assets has been provided on Straight Line method at the rates prescribed in Schedule XIV to the Companies (Amendment) Act 1988 read with Section 205(2) (b) of the said Act on pro-rata basis uniformly in respect of all assets.

1.5. INVENTORIES:

Finished goods are valued at the lower of cost or net realisable value. Value of Stock-in-process is determined considering cost of material, labour and related overheads. Raw material and Consumables are valued at cost or market value, whichever is lower

2.21. Others

- a. The subsidiary companies considered in the consolidated financial statements are as under:

Name of the company	Country of Incorporation	% shareholding & Voting power
Kalameshwar Textile Mills Ltd.	India	100%
Actif Corporation Ltd	India	U/s 4(1)(a)

b. EARNING PER SHARE:

Basic and Diluted Earnings per Share is calculated as under:

	31.03.2013	31.03.2012
i. Net Profit available for Equity shareholder (₹ in lacs)	(39361.51)	(10580.08)
ii. Weighted average Number of Equity shares (nos.)	100668325	100668325
iii. Basic and diluted Earning per share ₹ (Face value ₹4 each)	(39.10)	(10.51)

- c. The company has Two business segment namely "Textiles & "Real Estate, and others hence segment reporting as required under AS-17 issued by ICAI and made mandatory w.e.f. 1/04/2001 for certain business enterprises is applicable in case of company. The Segment wise details are as under :

- d. Figures of previous year have been re-grouped/re-arranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR A.F. KHASGIWALA & CO.
Chartered Accountants

Sd/-
A.F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W
Place: Mumbai
Dated: 29/05/2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Manoj Kumar Sharma
(Managing Director)

Sd/-
Navin Kumar Tayal
(Director)

Sd/-
Ketan Trivedi
(Company Secretary)

ANNUAL REPORT 2012-2013

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2013

Note : 2.1 Share Capital

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
			(₹ in Lacs)
1	AUTHORIZED CAPITAL		
	250000000 Equity Shares of ₹ 4/- each. (Previous Year 250000000 Equity Shares of ₹ 4/- each)	10,000.00	10,000.00
	50,00,000 Redeemable Preference Shares of ₹ 10/- each (Previous year 5000000 Red. Preference Shares of ₹ 10/- each)	500.00	500.00
	4000000 Redeemable Preference Shares of ₹ 100/- each (Of Subsidiary Company)	4,000.00	4,000.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
	100668325 Equity Shares of ₹ 4/- each (Previous Year 100668325 Equity Shares of ₹ 4/- each)	4,026.73	4,026.73
	4000000 Redeemable Preference Shares of ₹ 100/-each (Of Subsidiary Company)	4,000.00	4,000.00
	Total	8,026.73	8,026.73

2.1(a) Details of share holders holding morethan 5% shares

Name of Shareholders	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ram Pratap Tayal	1,12,04,658	11.13	1,12,04,658	11.13
Jyotika Tayal	70,25,400	6.98	70,25,400	6.98
Vandana Tayal	70,20,000	6.67	70,20,000	6.67
Bhavana Tayal	64,74,600	6.43	64,74,600	6.43

2.1(b) Reconciliation of Number of Shares Outstanding as at 1st April, 2012 and 31st March, 2013 :

EQUITY SHARES :

Particulars	Number	(₹ in Lacs)
Shares outstanding as at the 1 st April, 2011	10,06,68,325	4,026.73
Add : Shares issued during the period	NIL	NIL
Shares outstanding as at 31 st March, 2012	10,06,68,325	4,026.73

Note : 2.2 Reserve & Surplus

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
			(₹ in Lacs)
(a)	Reserves		
	General Reserve	5,527.48	5,527.48
	Securities Premium Account	25,136.62	25,136.62
	Capital Reserve	3.76	3.76
	Total (a)	30,667.86	30,667.86
(b)	Surplus		
	Profit & Loss Account		
	Balance brought forward from previous year	7,358.03	17,938.12
	Add: Net Profit/(Net Loss) for the period	(39,361.51)	(10,580.08)
	Total (b)	(32,003.48)	7,358.03
	Total	(1,335.61)	38,025.90

KSL AND INDUSTRIES LIMITED

Note : 2.3 Long Term Borrowings

Sr. No	Particulars	As at 31.03.2013	(₹ in Lacs)
			As at 31.03.2012
	Secured		
	Term Loan		
	From Bank	40,974.80	47,822.05
	ECB Loan	4,680.89	4,680.89
	FITL LOAN		
	From Bank	5,692.62	0.00
	Unsecured		
1	From Corporates	56,788.50	28,336.96
2	MSTC Current A/c	1.99	1.99
3	FCCB Liability	79.29	26,948.41
	Total	1,08,218.09	1,07,790.30

Note : 2.4 Deffered Tax Liabilities/Assets

Sr. No	Particulars	As at 31.03.2013	(₹ in Lacs)
			As at 31.03.2012
1	Depreciation on Fixed Assets	2,626.21	3,132.75
	Total	2,626.21	3,132.75

Note : 2.5 Short Term Borrowings

Sr. No	Particulars	As at 31.03.2013	(₹ in Lacs)
			As at 31.03.2012
	Secured		
	Term Loan		
	From Bank		
	Working Capital Loan	41,479.73	42,917.13
	FITL Term Loan		
	From Banks	687.08	0.00
	Total	42,166.81	42,917.13

Note : 2.6 Trades Payable

Sr. No	Particulars	As at 31.03.2013	(₹ in Lacs)
			As at 31.03.2012
1	Sundry Creditors for Material/Supplies	1,002.27	1,117.46
	Total	1,002.27	1,117.46

Note : 2.7 Other Current Liabilities

Sr. No	Particulars	As at 31.03.2013	(₹ in Lacs)
			As at 31.03.2012
1	Interest Accured & due	1,614.50	1,830.56
2	Interest Accured but not due	0.00	167.44
3	Advance from customer	5,990.72	856.73
4	Other Liabilities	9,901.17	1,501.23
5	Share Application money received for allotment of securities and due for refund	0.00	10,000.00
	Total	17,506.39	14,355.96

Note : 2.8 Short Term Provisions

Sr. No	Particulars	As at 31.03.2013	(₹ in Lacs)
			As at 31.03.2012
1	Provision for Taxation	0.43	0.21
2	outstanding Expenses payable	868.65	3,150.07
	Total	869.08	3,150.28

ANNUAL REPORT 2012-2013

Note- 2.9: FIXED ASSETS AS ON 31.03.2013

(₹ in lacs)

SR NO	PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		At Cost 1.4.2012	Addition	Deduction	As on 31.03.2013	As on 1.4.2012	Deduction	During the Year	Disposal	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
1	Land & Building(emp)	30,399.57	630.33	0.00	31,029.90	2,069.12	0.00	725.26	0.00	2,794.38	28,235.52	28,7330.45
2	Land & Site Development	4,312.89	0.00	0.00	4,312.89	0.00	0.00	0.00	0.00	0.00	4,312.89	4,312.89
3	Building	30,231.23	0.00	0.00	30,231.23	4,360.71	0.00	1,002.42	0.00	5,363.13	24,868.10	25,870.52
4	Development property	15.51	0.00	0.00	15.51	4.83	0.00	3.82	0.00	8.65	6.86	10.68
5	Plant & Machinery	1,14,807.02	0.00	0.00	1,14,807.02	51,733.10	0.00	11,834.13	0.00	63,567.23	51,239.79	63,073.92
6	Electric Installation	958.71	0.00	0.00	958.71	177.32	0.00	45.54	0.00	222.86	735.85	781.39
7	Furniture & Fixtures	380.13	0.00	0.00	380.13	168.96	0.00	23.12	0.00	192.08	188.05	211.17
8	Air Conditioner	159.70	0.00	0.00	159.70	55.15	0.00	10.07	0.00	65.22	94.48	104.55
9	Office Equipment	731.03	0.00	0.00	731.03	166.48	0.00	45.97	0.00	212.45	518.58	564.55
10	Computers	83.76	0.00	0.00	83.76	83.13	0.00	0.00	0.00	83.13	0.63	0.63
11	Vehicle	71.95	0.00	0.00	71.95	64.04	0.00	6.24	0.00	70.28	1.67	7.91
	Total	1,82,151.50	630.33	0.00	1,82,781.81	58,882.84	0.00	13,696.57	0.01	72,579.38	1,10,202.43	1,23,268.65
	Capital Work in Progress(tex)	1523.66	0.00	0.00	1,523.65	0.00	0	0.00	0.00	0.00	0.00	1,523.65
	Capital Work in Progress(rel)	630.33	1,359.75	630.33	1,359.75	0.00	0	0.00	0.00	0.00	0.00	630.33
	TOTAL	1,84,305.49	1,990.08	630.33	1,85,665.21	58,882.84	0.00	13,696.57	0.01	72,579.38	1,10,202.43	1,25,422.63
	PREVIOUS TOTAL	1,89,252.91	87.96	0.00	1,84,305.49	45,235.49	0.00	13,655.44	8.10	58,882.84	1,25,422.65	1,44,017.41

Note : 2.10 Non Current Investment

(₹ in Lacs)

Sr. No	Particulars	No. of share	As at 31.03.2013	As at 31.03.2012
(a)	Investment in Equity Instruments ;			
(i)	Quoted Shares			
	Asahi Fibres Ltd. of ₹ 1/- each Fully paid up	16000000	160.00	160.00
	In others			
	Mori hanol Hydro-power Ltd. of ₹ 10/- each fully paid up	499996	50.00	50.00
	Tayal Energy Ltd. of ₹ 10/- each fully paid up	469500	46.95	46.95
	Total	16,969,496	256.95	256.95
	Aggregate Book Value of Quoted Investments		160.00	160.00
	Aggregate Market Value of Quoted Investments		5,336.00	5,336.00
	Aggregate Book Value of Unquoted Investments		1,151.95	1,151.95

Note :2.11 Others (Fixed Assets)

(₹ in Lacs)

Sr. No	Particulars	As at 31.03.2013	As at 31.03.2012
	Miscellaneous Expenditure	697.76	836.99
	(To the extent not adjusted or written off)		
	Less : Written off	139.23	139.23
	Total	558.53	697.76

KSL AND INDUSTRIES LIMITED

Note : 2.12 Inventories

Sr. No. Particulars	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
(a) Textiles :		
1 Raw Material	26,145.63	30,915.44
2 Work-in-Progress	3,123.77	4,333.26
3 Finished Goods	2,835.08	3,790.84
4 Consumables	241.48	173.54
Total (a)	<u>32,345.95</u>	<u>39,213.07</u>
(b) Real Estate :		
1 Marol Maroshi Project	1,994.44	1,994.44
2 Kandivali Project	1,536.84	1,536.84
3 Nagpur Residential Project	—	—
Total (b)	<u>3,531.28</u>	<u>3,531.29</u>
Total (a+b)	<u><u>35,877.24</u></u>	<u><u>42,744.36</u></u>

Note : 2.13 Trade Receivables

Sr. No. Particulars	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
1 Outstanding for more than six months		
a) Secured, Considered Good :	—	—
b) Unsecured, Considered Good :	479.91	93.46
c) Doubtful	—	—
2 Others		
a) Secured, Considered Good :	—	—
b) Unsecured, Considered Good :	22,318.73	37,859.50
c) Doubtful	—	—
Total	<u><u>22,798.65</u></u>	<u><u>37,952.97</u></u>

Note : 2.14 Cash & Cash Equivalent

Sr. No. Particulars	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
(a) Cash-in-Hand		
Cash Balance	20.13	52.67
Sub Total (a)	<u>20.13</u>	<u>52.67</u>
(b) Bank Balance		
In Current Account	104.30	229.27
Sub Total (b)	<u>104.30</u>	<u>229.27</u>
(c) Fixed Deposit	278.96	285.55
Sub Total (c)	<u>278.96</u>	<u>285.55</u>
Total [a + b + c]	<u><u>403.40</u></u>	<u><u>567.50</u></u>

Note : 2.15 Short Terms Loans and Advances

Sr. No. Particulars	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
1 Others	4,718.52	9,505.83
Advance Recoverable in cash or in kind or for value to be considered good		
2 Security Deposit	0.32	0.32
3 Subsidiary receivable	717.10	704.73
Total	<u><u>5,435.96</u></u>	<u><u>10,210.90</u></u>

ANNUAL REPORT 2012-2013

NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note : 2.16 Revenue from Operations

Sr. No. Particulars	Year ending 31.03.2013	Year ending 31.03.2012
(a) sale of Product :	1,49,938.98	1,98,809.94
Less : Rebate/Discount	—	-4,269.77
	<u>1,49,938.98</u>	<u>1,94,540.17</u>
(b) Sale of Services :	1,413.00	1,285.51
(c) other Income :	—	1,974.91
Total	<u><u>1,51,351.98</u></u>	<u><u>1,97,800.59</u></u>

Note : 2.17 Cost of Sales

Sr. No Particulars	As at 31.03.2013	As at 31.03.2012
a) MATERIALS AND GOODS CONSUMED		
Opening Stock	30,915.44	20,001.89
Add : Purchases	1,05,408.05	1,54,025.61
	<u>1,36,323.49</u>	<u>1,74,027.50</u>
Less : Closing Stock	26,145.63	30,915.44
Raw Material Consumed Sub total (a)	<u>1,10,177.86</u>	<u>1,43,112.06</u>
b) CHANGE IN INVENTORIES		
Opening Stock :		
Finished goods	3790.84	6,949.73
Work in progress	4,333.26	4,653.75
Total (i)	<u>8,124.10</u>	<u>11,603.48</u>
Closing Stock :		
Finished goods	2,835.08	3,790.84
Work in progress	3,123.77	4,333.26
Total (ii)	<u>5,958.85</u>	<u>8,124.10</u>
Sub total (b) (i-ii)	<u>2,165.25</u>	<u>3,479.38</u>
c) DIRECT/PRODUCTIONS EXPENSES		
Power & Fuel	12,194.84	14,273.37
Stores, chemical & Packing Materials	3,250.54	3,037.74
Labour Charges	8,383.56	9,130.18
Processing & Job work charges	6,56.36	422.67
Freight Charges	311.71	378.23
Repair & Maintenance	1,036.80	667.19
Water Charges	316.51	604.54
Loading & Unloading Expenses	745.88	263.33
Packing & Forwarding Charges	—	378.08
Sub total©	<u>26,896.20</u>	<u>29,155.33</u>
Total (a+b+c)	<u><u>1,39,239.31</u></u>	<u><u>1,75,746.77</u></u>

KSL AND INDUSTRIES LIMITED

Note : 2.18 Finance Cost

Particulars	₹ in Lacs	
	Year ending 31.03.2013	Year ending 31.03.2012
Interest Cost	16,978.30	13,767.28
Other borrowing cost	108.66	351.36
Bank charges	0.01	5.39
Loss on foreign currency transaction	11,793.95	—
Total	28,880.92	14,124.03

Note : 2.19 Depreciation & Amortization Expenses

Particulars	₹ in Lacs	
	Year ending 31.03.2013	Year ending 31.03.2012
Depreciation	13,696.57	13,655.44
Miscellaneous Expenses W/off	139.23	139.23
Total	13,835.80	13,794.67

Note : 2.20 Other Administrative Expenses

Particulars	₹ in Lacs	
	Year ending 31.03.2013	Year ending 31.03.2012
Commission & Brokerage	42.84	73.69
Sales Promotion Expenses	578.08	186.46
Transportation Charges	338.56	420.03
Insurance Charges	59.08	78.17
Rent, Rates and Taxes	167.87	45.51
Directors Remuneration	6.00	6.00
Directors Sitting Fees	3.08	4.18
Legal, Professional & Consultancy Charges	354.12	339.43
Travelling & Conveyance	895.60	530.00
Auditors Remuneration	1.79	2.20
Telephone Charges	515.02	333.46
Salary & Staff Welfare Expenses	1,333.66	1,220.45
Security Charges	35.14	83.08
Postage & Telegram	128.75	203.82
Printing & Stationery	933.26	524.93
General Expenses	109.52	76.66
Motor Car Expenses	430.55	231.32
Electricity Charges (Net)	379.72	271.15
Repairs and Maintenance (Building)	959.78	208.90
Repairs and Maintenance (Others)	402.15	—
Advertisement Expenses	562.87	955.54
Office Expenses	399.77	227.22
Service Charges	56.12	45.69
Registration & filling Fees	1.38	1.48
Profession Tax	0.06	0.06
Charity & Donation	—	—
Listing Fees	0.87	0.85
Miscellaneous Expenses	18.06	12.36
Repairs and Maintenance others	202.46	302.05
Computer Expenses	347.62	335.10
Business Promotion Exp	—	11.15
Total	9,263.78	6,730.94

ANNUAL REPORT 2012-2013

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES FOR FINANCIAL YEAR 2012-13.

Sr. No.	Particulars	Kalmeshwar Textiles Mills Ltd.	ACTIF CORPN LTD (Formely Known Deccan Mills Real Estate & infrastrusture Ltd
A) 1	Financial Year of the Subsidiary Company	31 st March, 2013	31 st March, 2013
2	Date from which they became Subsidiary Company	19 th November, 2003	6 th June, 2006
3	the subsidiary company: (a) Number of shares held by "KSL and Industries Ltd." with its nominees in the subsidiary at the end of the financial year of the Company (b) Extent of Interest of holding company at the end of the financial year of subsidiary Company	1649938 Eq. sh. of ₹100/- each. 100%	49994 Eq. sh. of ₹10/- each. 0.16%
	Details of Subsidiary Company	(₹ In Lacs)	(₹ In Lacs)
B) 1	Capital	1,649.94	7,125.27
2	Reserve	(1,287.98)	(10,398.38)
3	Total Assets	369.13	34,377.09
4	Total Liabilities	369.13	34,377.09
5	Details of Investment	—	—
6	Total Income	453.85	40,200.56
7	Profit (Loss) Before Taxation	1.12	(7,765.48)
8	Provision for taxation	0.22	—
9	Profit (Loss) after Taxation	1.71	(7,536.62)

NOTES:

Annual Accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned.

ATTENDANCE SLIP
KSL AND INDUSTRIES LIMITED

Registered Office: Plot No.69, Dhanu Udyog Industrial Area, Piperia, Silvassa (U.T.)
(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

THIRTY FIRST ANNUAL GENERAL MEETING

Member's Name (in capital letters)

Folio No. No. of Shares held

DP ID*	
--------	--

Client ID*	
------------	--

I hereby record my presence at the Thirty First Annual General Meeting of the Company being held on Saturday, 10th August, 2013 at 12.30 p.m. at 65, Krishna Nagar, Samarvani, Silvassa (U.T.)

.....
Signature of the Shareholder or Proxy

* Applicable for investors holding shares in electronic form

----- CUT HERE -----

PROXY FORM

KSL AND INDUSTRIES LIMITED

Registered Office: Plot No.69, Dhanu Udyog Industrial Area, Piperia, Silvassa (U.T.)

DP ID*	
--------	--

Regd. Folio No.	
-----------------	--

Client ID*	
------------	--

I/We

of being a member/members of the Company, hereby

appoint..... of

in the District of or failing him

.....of in the District of

as my/our Proxy to vote for me/us on my/our behalf at the Thirty First Annual General Meeting of the Company to be held on Saturday, 10th August, 2013 at 12.30 p.m. of at any adjournment thereof.

Signed this Day of 2013

* Applicable for investors holding shares in electronic form.

Affix Re.1/- Revenue Stamp

Note: The Proxy form duly completed and signed must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



E





A Tayal Enterprise

KSL AND INDUSTRIES LIMITED

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