

BOARD OF DIRECTORS**DIRECTORS**

Shri Ajay Ramesh Gupta
 Shri Mahesh Prasad Mehrotra
 Shri Kailash Nath Bhandari
 Shri Rajshekhar S. Ganiger
 Shri Farindra Bihari Rai

MANAGING DIRECTOR

Shri Manoj Kumar Sharma

BANKERS

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

AUDITORS

A. F. Khasgiwala & Co.
 Chartered Accountants

REGISTERED OFFICE

Plot No.69-A, 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.....	4
Corporate Governance Report	8
Management Discussion and Analysis Report	14
Auditors' Report	18
Balance Sheet.....	21
Statement of Profit & Loss	22
Cash Flow Statement	23
Significant Accounting Policies	25
Notes	26
Consolidated Auditor's Report	33
Consolidated Balance Sheet.....	34
Consolidated Statement of Profit & Loss	35
Consolidated Cash Flow Statement.....	36
Significant Accounting Policies	38
Notes	39
Statement Pursuant to Section 212	44

ANNUAL GENERAL MEETING on Saturday 14th July 2011, at 12:30 p.m.,
 at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory), Silvassa (U.T.)

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of **KSL AND INDUSTRIES LIMITED** will be held on Saturday the 14th July, 2012 to transact the following business at 65, Krishna Nagar, Samarvani, Sivassa, (Union Territory) at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Company's Audited Balance Sheet as at 31st March, 2012 and statement of Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
- To appoint a Director in place of Shri Mahesh Prasad Mehrotra, who retires by rotation and, being eligible, offers himself for re-appointment.
- To reappoint Auditor and to fix remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provision of the Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956 M/s A. F. Khasgiwala & Co, Chartered Accountants (Firm Registration No.-105114W) 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

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions :

As Special Resolution

- To Appoint Shri Manoj Kumar Sharma as Managing Director of the Company :

"RESOLVED THAT pursuant to the provisions of Section 269, 309, 310, and Schedule XIII and other applicable provisions of the Companies Act, 1956 and other statutes the decision of Board of Directors of the Company appointing Shri Manoj Kumar Sharma as Managing Director of the Company w.e.f. 28th April, 2012 for a period of 5 years on term and condition as contained in the agreement dated 28th April, 2012. The remuneration payable to Shri Manoj Kumar Sharma as Managing Director shall be as under :

Particulars	From 28 th April 2012
Salary	₹ 50,000/- per month or ₹ 6,00,000/- per annum
Commission on Net Profit	1% of the Net Profits as Calculated u/s 349, 350 of the Companies Act 1956
Maximum	₹ 12,00,000 per annum

RESOLVED FURTHER THAT for the purpose of the giving effect to the above Resolution the Board of the Directors of the Company be and is hereby authorized to take the such steps and to do all such acts, deeds , matters and things as are required under the Law."

NOTES :

- 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.
- 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.
- 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.
- The Register of Members and Share Transfer Register of the Company will remain closed from 12th July, 2012 to 14th July, 2012 (both days inclusive) to comply with Annual Book Closure requirements.
- Members desiring any information on the Annual Accounts of the Company for the year ended 31st March, 2012 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.
- 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.
- 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
- Green Initiatives in the Corporate Governance :** The Government of India-Ministry of Corporate Affairs has, vide the Circular No. 17/2011 dated 21st April, 2011, allowed service of documents to the shareholders in the electronic mode. Thus, having regard to the said Circular read with the Information Technology Act, 2000 and Section 53 of the Companies Act, 1956, the Company hereby requests the Members to register their E-mail Address and any change therein from time to time) with Bigshare Services Private Limited the Registrar and Share Transfer Agents of the Company. The Company proposes to 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/-

Ajay Ramesh Gupta
Chairman

Place: Mumbai

Date: 28th April, 2012

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

ITEM NO. 4 :

Shri Manoj Kumar Sharma has been appointed as a Managing Director by the Board of Directors of the Company on 28th April, 2012, in accordance with the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956.

Shri Manoj Kumar Sharma is B.Tech and M.Tech in Textile. He has more than 22 years of vast experience of working in the Textile Industry.

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

The Board recommends the passing of this Resolution. Except Shri Manoj Kumar Sharma, none of the Directors are interested in this Resolution.

For and Behalf of the Board of Directors

Place: Mumbai
Date: 28th April, 2012

**sd/-
Ajay Ramesh Gupta
Chairman**

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
Revenue from operations	1,41,980.00	131335.06
Finance Cost	11190.37	8578.24
Depreciation and Amortization Expense	10,197.18	10,088.03
Profit before Exceptional and Extraordinary Items and Tax	(509.24)	8648.93
Profit/(Loss) before Tax	(9724.70)	70.69
Provision for Tax	0.00	14.09
Deferred Tax Assets/ (Liabilities)	466.36	(398.19)
Profit/(Loss) after Tax	(9258.34)	(341.59)

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 increased to ₹ 1,41,980.00 Lacs as against ₹ 1,31,335.06 Lacs in respect of the previous Financial Year ended 31st March, 2011, registering a growth of around 6% over the previous Financial Year. The Profit before Depreciation, Interest and Tax is ₹ 11,514.81 Lacs in the Financial year ended 31st March, 2012 as against ₹ 18,597.91 Lacs in the previous Financial year ended 31st March, 2011. The Company has incurred Net Loss of ₹ 9,258.34 as on 31st March, 2012 as against Net Loss of ₹ 341.59 Lacs in the previous Financial year ended 31st March, 2011 due to heavy burden of Finance Cost and Depreciation.

CORPORATE DEBT RESTRUCTURING :

The Company has entered into the scheme of Debt Restructuring with the present Consortium Lenders, as the Company has suffered huge losses during the current year on account of volatility in the cotton prices, increase in power cost and heavy burden of Rate of Interest (Interest Rate increased from 11-12% to 15-17%) and the proposal for the same has been duly filed with Corporate Debt Restructuring Cell.

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.

Earlier M/s. Reward Real Estate Company Limited was the Subsidiary Company of the Company under Section 4 of the Companies Act, 1956 during the year the Company has sold its investment of 299,97,500 Equity Shares of M/s. Reward Real Estate Company Limited. Therefore M/s. Reward Real Estate Company Limited is no more subsidiary Company of the Company.

The Report and Accounts of the Subsidiary Companies are annexed to this Report along with the Statement pursuant to Section 212 of the Companies Act, 1956. However, in the context of the mandatory requirement to present consolidated accounts, which provides Members with a consolidated position of the Company including its Subsidiary, at the first instance, Members are being provided with the Report and Accounts of the Company and the Consolidated Accounts treating these as abridged accounts as contemplated by Section 219 of the Companies Act, 1956. Members who wish to receive the full Report and Accounts including the Report and Accounts of the 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 Mahesh Prasad Mehrotra, Director, retire by rotation and, being eligible, offered him for re-appointment.

During the year Ms. Mrinal Tayal, w.e.f. 1st November, 2011 and Shri Saurabh Kumar tayal, w.e.f. 22nd March 2012 resigned as Directors of the Company. The Board of Directors place on record the valuable services rendered by them during their tenure as Directors of the Company.

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 2012, 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, 2012 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.

CORPORATE SOCIAL RESPONSIBILITY :

As its operations have expanded to new geographies, the Company has retained a collective focus on the various areas of corporate sustainability that impact people, environment and the society at large founded on the philosophy that Society is not just another stakeholder in its business, but the prime purpose of it, the Company, across its various operations is committed to making a positive contribution in a number of ways.

During the year under review, we focused on providing residence to our labourers along with school & educational facilities to their children and also maintaining consistent duty towards fellow employees of our organisation.

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.

AUDITOR'S REPORT

The remarks made by the Auditors in their Report have been suitably dealt within the schedules and notes and therefore, do not call for any further clarification.

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 approve 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.

COST AUDIT:

The Central Government's Cost Audit Committee Order specifies audit of Cost Accounting Records for certain products of the company every year. The Board of Directors, subject to the approval of the Central Government, have appointed M/s. J. K. Kabra & Co., Cost Accountants, as Cost Auditors to carry out this audit in respect of manufacture of textile products for the year ending 31st March 2012.

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.

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 feed back, based on which HR policies are improved continuously. The process has resulted in better employee relationship.

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

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

Place : Mumbai
Date : 28th April, 2012

Sd/-
Ajay Ramesh Gupta
Chairman

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 2011-12.

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 AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF

	Year ended 31.03.2012	Year ended 31.03.2011
A. Power and Fuel Consumption in respect of :		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	470.38	313.95
2. Total amount (₹ in lacs)	3019.83	1648.24
3. Rate per unit (₹/unit)	6.42	5.25
(b) Own Generation		
(Through Diesel Generator/Furnace Oil)	556.89	935.73
1. Units (KWH in Lacs)	9.06	9.06
2. Units per litre of fuel	12.07	7.01
3. Cost per unit (Rs/unit)	--	--
2. Coal	--	--
3. Furnace Oil	--	--
Others/Internal Generation		
B. Consumption per unit of production		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	6303.72	2406.68
2. Coal (Kgs.)	--	--
3. Furnace Oil (Ltrs.)	--	--
4. Steam (Tonnes)	--	--

Note : Since the Company manufactures different qualities of fabrics/yarn-s 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.

1. 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.

2. 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.

b) Foreign Exchange Outgo (₹ in Lacs)

Year ended 31.03.2012

Year ended 31.03.2011

626.91

705.27

c) Foreign Exchange earned (₹ in Lacs)

Nil

Nil

For and Behalf of the Board of Directors

Sd/-

Ajay Ramesh Gupta
Chairman

Place : Mumbai

Date : 28th April, 2012

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 6 Directors.

During the year 2011-12, the board met 4 times on the following dates namely 28th April, 2011, 23rd July, 2011, 13th October 2011, 12th January 2012. 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 29th Annual General Meeting held on 9th July, 2011, 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 Directorship In Indian Public Limited Companies	Committee Membership	Committee Chairmanship
Shri Saurabh Kumar Tayal**	NEC	4	Yes	7	6	2
Shri Ajay Ramesh Gupta#	MD	4	Yes	7	5	1
Shri Manoj Kumar Sharma@	MD	Nil	NO	-	-	-
Shri Rajshekhar S. Ganiger	ID	4	Yes	2	4	Nil
Shri Farindra Bihari Rai	NED	4	No	8	10	5
Shri Mahesh Prasad Mehrotra	ID	4	No	15	9	2
Shri Kailash Nath Bhandari	ID	4	No	12	4	1
Ms. Mrinal Tayal*	NED	3	No	5	Nil	Nil

* Resigned w.e.f. 1st November, 2011

**Resigned w.e.f. 22nd March, 2012,

@ Appointed w.e.f. 28th April, 2012,

Step Down from as Managing Director and still continue as NED w.e.f. 28.04.2012

"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 M. P. Mehrotra	B. Com, L.L.B., F.C.A., and vast experience of working finance sectors. in legal and Finance Sectors	Accounts & Audit, Legal, Taxation and Finance	15	9	2

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:

Sr. No.	Name of Director	Category	Attendance Particulars	
			Board Meetings	Sitting Fees Paid (₹)
1.	Shri M. P. Mehrotra	ID	4	40,000/-
2.	Shri K. N. Bhandari	ID	4	40,000/-
3.	Shri Rajshekhar S. Ganiger	ID	4	40,000/-
4.	Shri Farindra Bihari Rai	ID	4	40,000/-
5.	Ms. Mrinal Tayal	ID	3	30,000/-
	Total			1,90,000/-

Board Committees

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

3.1 Audit Committee

The Board of Directors of the Company has constituted an Audit Committee. The Audit Committee comprises of Shri Farindra Bihari Rai as the Chairman and Shri Mahesh Prasad Mehrotra & 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:

- Overview 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.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- 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, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 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 has post-audit discussion to ascertain any area of concern.
- 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year 2011-12, the Audit Committee met 4 times on the following dates namely 28th April, 2011, 23rd July 2011, 13th October 2011 and 12th January 2012. The composition of the Audit Committee and the details of Audit Committee Meetings attended by the Members are given hereunder:

Name of Member	Designation	Attendance
Shri Farindra Bihari Rai	Chairman	3
Shri Rajshekhar Ganiger	Member	4
Shri Mahesh Prasad Mehrotra	Member	4

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 2011-12.

Name	Salary	Commission	Sitting Fees	Amount
Shri Ajay Ramesh Gupta	₹ 6,00,000	Nil	Nil	₹ 6,00,000
Non-Executive Directors	Nil	Nil	₹ 1,90,000	₹ 1,90,000

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 24th July, 2009. The Committee now comprises of Shri Saurabh Kumar Tayal, Shri Farindra Bihari Rai and Shri Rajshekhar Ganiger as the Members of the Committee. Shri Saurabh Kumar Tayal is the Chairman of the Committee.

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

During the year 2011-12, the Shareholders'/Investors' Grievance Committee met 4 times on the following dates namely 27th April, 2011, 22nd July 2011, 12th October 2011 and 11th January 2012.

Name of Member	Designation	Attendance
Shri Saurabh Kumar Tayal	Chairman	4
Shri Farindra Bihari Rai	Member	4
Shri Rajshekhar Ganiger	Member	2

No of Shareholder's Complaint received so far : 4
 Complaints solved to the satisfaction of shareholders : 4
 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 comprises of Shri Manoj Kumar Sharma as the Chairman, Shri Farindra Bihari Rai and Shri Ajay Ramesh Gupta 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 2011-12, the Management and Finance Committee met 14 times. The composition of the Management and Finance Committee and the details of the Meetings of the members are given hereunder:

Name of Member	Designation	Attendance
Shri Saurabh Kumar Tayal *	Chairman	14
Shri Manoj Kumar Sharma **	Member	Nil
Shri Farindra Bihari Rai	Member	14
Shri Ajay Ramesh Gupta	Member	14

* Resigned w.e.f. 22nd March, 2012.

** Appointed w.e.f. 28th April, 2012.

4. General Body Meetings

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

Year	Location	Date	Time
2010-11	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	9 th July, 2011	11.30 A.M.
2009-10	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	17 th July, 2010	11.30 A.M.
2008-09	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	31 st July, 2009	11.30 A.M.

5. Disclosures:

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

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

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

The Company has published its quarterly results in Freepress Journal, Loksatta-Jansatta.

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

7. General Shareholder Information

7.1 Annual General Meeting :

Date and time : 14th July 2012 at 12.30 p.m.
 Venue : 65, Krishna Nagar, Samarvani,
 Silvassa (Union Territory of Dadra & Nagar Haveli)

7.2 Financial Year :

Financial Calendar 2012-13 (tentative) : 1st April to 31st March
 Annual General Meeting - (Next year) July, 2013

Board Meetings

Results for the quarter ending June 30, 2012 : Before the 2nd week of August 2012
 Results for the quarter ending September 30, 2012 : Before the 2nd week of November 2012
 Results for the quarter ending December 31, 2012 : Before the 2nd week of February 2013
 Results for the year ending March 31, 2013 : Last week of May, 2013

7.3 Book Closure date :

12th July, 2012 to 14th July, 2012
 (Both days Inclusive)

7.4 Dividend Payment Date :

N.A.

7.5 (a) Listing of Equity shares :

Bombay Stock Exchange Ltd.

(b) Demat ISIN Numbers in CDSL/NSDL :

Equity Shares : INE219A01026

7.6 Stock Code :

530149

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

7.7 Stock Market Data

KSL AND INDUSTRIES LIMITED					
Month	Open Price	High Price	Low Price	Close Price	No. of Shares
Apr 11	14.95	20.00	14.94	16.67	1,53,488
May 11	16.50	23.00	15.95	17.80	1,52,962
Jun 11	18.25	19.75	15.70	17.50	72,111
Jul 11	18.50	22.00	16.15	19.90	5,48,921
Aug 11	19.25	20.75	16.50	20.50	3,41,506
Sep 11	20.40	33.50	20.35	25.10	1,78,287
Oct 11	26.35	34.15	24.50	33.70	88,899
Nov 11	33.95	37.35	32.00	36.70	1,93,560
Dec 11	38.50	38.50	33.30	34.65	3,07,336
Jan 12	35.40	48.95	33.65	44.50	4,07,464
Feb 12	45.90	62.40	44.05	62.05	2,26,259
Mar 12	62.90	90.35	58.15	90.30	4,31,418

Source: www.bseindia.com.

7.8 Performance in comparison to broad -based indices such as BSE Sensex, CRISIL index etc.

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

7.9 Registrar & Transfer Agent :

BIGSHARE SERVICES PVT. LTD.
 E-2/3, Ansa Industrial Estate, Sakivihar Road,
 Saki Naka, Andheri (East), Mumbai - 400 072

7.10 Share Transfer System :

The shares of the Company, being in the compulsory demat list, are transferable through the depository system. All transfers

received are processed and approved by the Share Transfer Committee which normally meets twice a month. Shares under objection are returned within two weeks.

7.11 a Distribution of Shareholding

From	Category	To	Number of Shareholders	Number of Shares held
Upto	-	5000	11916	7364427
5001	-	10000	20	140561
10001	-	20000	10	141942
20001	-	30000	4	94235
30001	-	40000	5	173792
40001	-	50000	4	172453
50001	-	10000	6	414171
100001	-	and above	65	92166744
TOTAL			12030	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	3328295	3.31
3.	Domestic Companies	29301588	29.11
4.	Resident Individuals	28557055	28.37
	Total	100668325	100.00

- 7.12 a Dematerialization of Shares** : Approximately 74.09% of the shares issued by the Company have been dematerialized upto 31st March 2012
- 7.12 b Liquidity** : The Companies shares are listed on the Bombay Stock Exchange Limited, Mumbai.
- 7.13 Outstanding FCCB** : FCCB of 64.56 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 Industrial Area, Pipheria, Silvassa (Union Territory of Dadra & Nagar Haveli)

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

SD/-

**Manoj Kumar Sharma
Managing Director**

Place : Mumbai
Date : 28th April, 2012

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

Sd/-

**Manoj Kumar Sharma
Managing Director**

Place : Mumbai
Date : 28th April, 2012

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, 2012, 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, 2012.

KSL and Industries Limited

Sd/-

**Manoj Kumar Sharma
Managing Director**

Place : Mumbai
Date : 28th April, 2012

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.

Indian Economy:

Despite the economic and financial challenges in key developed economies, India has remained a frontrunner in any cross-country comparison. Even with a low growth figure of 6.9%, India is projected to be the second-fastest-growing major economy (7%) after China (8.2 %) as per the IMF. It is estimated that the country's economy would grow at 7.6% in FY 2013 and 8.6% in FY 2014. With over 1.2 billion people, India accounts for nearly one-sixth of the global population. While the rate of growth of population has consistently declined, India's population increased by nearly 180 million persons during 2001-11 - the highest in the world in absolute terms. India has a high rate of self consumption. The country boasts of a vast domestic market that allows the economy to scale and attracts investors. It can rely on a well-developed and sophisticated financial market that can channel financial resources to good use, as many innovative businesses of global standards have mushroomed in India.

Industry structure and developments:

A) Textile Industry :

The Textile Industry occupies a unique place in our Country by contributing around 3% of India's GDP, 14% of the Country's Industrial Production, 18% of Industrial employment and 17% of the export earnings. It is the second largest provider of employment after agriculture. It provides direct employment to over 35 million people and indirect employment to around another 60 million people in the Country.

The Industry contributes around 25% share in the world trade of cotton yarn. India is the largest exporter of yarn in the international market and has a share of 25% in world cotton yarn export market. India contributes for 12% of the world's production of textile fibers and yarn. Indian textile industry is second largest after China in terms of spindleage, and has share of 23% of the world's spindle capacity. India has around 6% of global rotor capacity.

The industry is expected to grow from the present US\$ 70 billion to US\$ 220 billion by 2020; India's textile export is expected to reach US\$ 25 billion by 2013.

The availability of concessional loans under the Technology Upgradation Fund Scheme (TUFs) and growing demand for Value Added lifestyle- driven retail products are other contributing factors which encourage new investment in up gradation of machineries.

India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 per cent to 8 per cent and reach US\$ 80 billion by 2020.

- Cotton

India is the second largest producer of cotton in the world. The International Cotton Advisory Committee (ICAC) noted that India has produced 4.74 metric tonnes (MT) of cotton during the year. India's production next season is likely to touch 5.61 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 32 million bales, out of which 10.5 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 40 million spindles (23 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, 380,000 power loom enterprises that operate about 1.7 million looms, and just 137,000 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 textile industry is undergoing a major reorientation towards non-clothing applications of textiles, known as technical textiles, which are growing roughly at twice rate of textiles for clothing applications and now account for more than half of total textile production. The Government of India has set up 4 Centres of Excellence for Meditech, Agrotech, Geotech and Protech group of technical textile providing one-stop facility for testing, human resource development and research and development.

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 change 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:

- Self reliant industry producing the entire supply-chain i.e., cotton and fibres.
- Highly competitive spinning sector.
- Large and growing domestic market.
- Second-largest textile producer in the world.
- Abundant Raw Material availability that helps industry to control costs and reduces the lead-time across the operation;
- Low labour cost and availability of skilled and technical labour force.
- Excellence in fabric and garment designing.
- Vast textile production capacity and efficient multi-fiber raw material manufacturing capacity.
- Availability of large varieties of cotton fiber and has a fast growing synthetic fiber industry;
- Promising export potential

Weaknesses:

- Small size and technologically outdated plants result in lack of economies scale, low productivity and weak quality control.
- Cotton availability is vulnerable to erratic monsoon and low per hectare yield.
- With the exception of spinning, other sectors are fragmented. Sectors such as knitted garments still remaining as a SSI domain
- Labour laws and policies lack reforms.
- Infrastructure bottlenecks for handling large volumes.
- India lacks in trade pact memberships, which leads to restricted access to the other major markets.
- Huge unorganized and decentralized sector.

Opportunities:

- End of quota system and full integration of the textile industry.
- Low per-capita consumption of textile indicating significant potential growth.
- Increased use of CAD to develop designing capabilities and for developing greater options.
- Shift in domestic market towards readymade garments, and domestic textile consumption increasing with growing disposable income.
- Cheaper production and marketing costs and enormous opportunities have tempted Taiwanese Companies to work on Joint Ventures with the Indian Companies specially for the manufacture of manmade fabrics.

Threats:

- Survival of the fittest-in term of quality, size delivery and cost. There is an increased global competition in the post 2005 trade regime under WTO.
- Pricing pressures.
- Stiff competition from other Asian countries.
- Increase in regional trade could reduce share of market opened for India, China and other countries.
- High production cost with respect to other Asian competitors

ii) Government Initiatives

The Government of India has promoted a number of export promotion policies for the textile sector in Union Budget 2011-12 and Foreign Trade Policy 2009-14. This also includes the various incentives under Focus Market Scheme and Focus Product Scheme; broad basing the coverage of Market Linked Focus Product Scheme for textile products and extension of Market Linked Focus Product Scheme etc. to increase the Indian Shares in the global trade of textiles and clothing. The various Schemes and promotions by the Government of India are as follows:

1. It has allowed 100 per cent Foreign Direct Investment (FDI) in textiles under the automatic route.
2. Welfare Scheme: The Government has offered health insurance coverage and life insurance coverage to 161.10 million weavers and ancillary workers under the Handloom Weavers' Comprehensive Welfare Scheme, while 7,33,000 artisans were provided health coverage under the Rajiv Gandhi Shilpi Swasthya Bima Yojna.
3. E-Marketing: The Central Cottage Industries Corporation of India (CCIC), and the Handicrafts and Handlooms Export Corporation of India (HHEC) have developed number of e-marketing platforms to simplify marketing issues. Also, a number of marketing initiatives have been taken up to promote niche handloom and handicraft products with the help of 600 events all over the country.
4. Skill Development: As per the 12th Five Year Plan, the Integrated Skill Development Scheme aims to train over 26,75,000 people within next 5 years (this would cover over 2,70,000 people during the first two years and remaining in next three years). This scheme would cover all sub sectors of the textile sector such as Textiles and Apparel; Handicrafts; Handlooms; jute; and Sericulture.
5. Credit Linkages: As per the Credit Guarantee program, over 25,000 Artisan Credit Cards have been supplied to artisans, and 16.50 million additional applications for issuing credit cards have been forwarded to banks for further consideration with regards to the Credit Linkage scheme.
6. Financial package for waiver of over dues: The Government of India has announced a package of US\$ 604.56 million to waive overdue loans in the handloom sector. This also includes the waiver of overdue loans and interest till 31st March, 2010, for

loans disbursed to handloom sector. This is expected to benefit at least 3,00,000 handloom weavers of the industry and 15,000 cooperative societies.

7. Textile Parks: The Indian Government has given approval to 40 new Textile Parks to be set up and this would be executed over a period of 36 months. The new Textile Parks would leverage employment to 4,00,000 textile workers. The product mix in this parks would include apparels and garment parks, hosiery parks, silk parks, processing parks, technical textiles including medical textiles, carpet and power loom parks.

B) Real Estate Industry :

The superior economic performance of India has provided a strong impetus to the Real Estate sector, which has been witnessing heightened activity in the recent years. Substantial end user and investor interest, large scale investment in infrastructure and rapid urbanisation have contributed to the growth trajectory of Indian Real Estate domain. The housing sector alone contributes to 5-6 per cent of the India's GDP. Housing Shortage is one of the biggest challenges for India. According to Cushman & Wakefield Research, property market in India from 2011 -15 is likely to witness a demand for 3.94 Million new housing units growing at a Compounded Annual Growth Rate (CAGR) of 11%.

The need of the hour for the Real Estate sector in India to continue its forward march and a proactive approach towards reforms and transparency. The likely establishment of the Real Estate Regulatory Authority (RERA) will serve as an important step towards advancement. The need for streamlining approval procedures with a 'single window clearance' structure is also essential.

All the stakeholders, including the government and its statutory bodies need to put their best foot forward as the demand for realty is expected to ride on the rapid urbanisation growth and India's progress towards becoming a global economic hot spot.

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

Strengths

- Employment and training opportunities in the field of construction.
- Private sector housing boom and commercial building demands Construction of the multi building projects on the feasible locations in the country.
- Good structured national network facilitates the boom of construction industry.
- Low cost well- educated and skilled labour force is now widely available across the country.
- Sufficient availability of raw material and natural resources in the country is supportive for the industry.
- Real estate development is on high and it is attracting the focus of the industry towards construction.

Weakness

- Difficulties in procuring local sanctions
- Inadequate backup by local authorities
- High pricing and limited demand
- Difficulties in the exit route
- Training itself has become a challenge.
- Changing skills requirements and an ageing workforce may emphasize the skills gap.
- Improvement in long-term career prospects is highly required to encourage staff retention and new entrants.
- External allocation of large contracts becomes difficult.
- Lack of clearly defined processes and procedures for construction and its management.
- Huge amount of money needs to be invested in this industry.

Opportunities

- Competitive market creation
- Mass investments in the economy
- Improved business environment
- Continuous private sector housing boom will create more construction opportunities.
- Public sector projects through Public Private Partnerships will bring further opportunities.
- Financial supports like loan and insurance and growth in income of people is in support of construction industry.

Threats

- Displacement of existing players
- Financial risks
- Market risks
- High susceptibility to Litigation
- Long term market instability and uncertainty may damage the opportunities and prevent the expansion of training and development facilities.
- Current economic situation may have an adverse impact on construction industry.
- Political and security conditions in the region and Late legislative enforcement measures are always threats to any industry in India.
- Infrastructure safety is a challenging task in construction industry.
- Lack of political willingness and support on promoting new strategies.
- Natural abnormal casualties such as earth quake and floods are uncertain and can prevent the construction boom.
- Inefficient accessibility in planning and concerning the infrastructure.
- Competitors are emerging in the industry by leaps and bounds.

C) 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.

D) Outlook

The Company has suffered huge losses during the current year on account of volatility in the cotton prices, increase in power cost and heavy burden of Rate of Interest (Interest Rate increased from 11-12% to 15-17%) and therefore, the Company has entered into the scheme of Corporate Debt Restructuring with the present Consortium Lenders and the proposal for the same has been duly filed with Corporate Debt Restructuring Cell.

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.

F) Internal Control system and their adequacy

Your Company ensures adherence to all Internal Control policies and procedures as well as compliance with all regulatory guidelines. The adequacy of internal controls is reviewed by the Audit Committee of the Board of Directors.

The Company's internal control systems are adequate, considering size and nature of operation of the Company, to meet regulatory/statutory requirements assure recording of all transactions and report reliable and timely financial information. Additionally, it also provides protection against misuse or loss of any of the company assets.

G) Financial Performance Vs. Operational Performance

During the year, the Income from operations of Company has substantially increased to ₹ 141980.00 Lacs for the year ended 31st March, 2012 as against ₹ 131335.06 Lacs in respect of the previous Financial Year ended 31st March, 2011, registering a growth of around 6% over the previous Financial Year. The Company has incurred Net Loss of ₹ 9258.34 Lac as on 31st March, 2012 as against Net Loss of ₹ 341.59 Lacs in the previous Financial year ended 31st March, 2011 due to heavy burden of Finance Cost and Depreciation.

H) Development in Human Resources/Industrial Relation front

Human resources represent the strength of your Company with a team of qualified and dedicated personnel who have contributed to the consolidation of the operations of your Company. The team ensured timely completion of the various projects undertaken by 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 of the Company.

The focus of Human Resource is on building and developing intellectual capital through innovative ideas and by providing the training of the employees is an on going process. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

I) 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 and enhance customer satisfaction. The Company has started launching products of better quality and new look as per customer requirements.

K) Cautionary Statement

Statements Made in this Report may be "forward looking statements" within the meaning of applicable securities laws and regulations. These 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 like changes in economic conditions affecting demand/supply, price conditions in which the Company operates, Government regulations, tax laws and other statutes and incidental factors.

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, 2012, 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012;
 - 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 . 6491
Firm Regn no.105114W

Place : Mumbai
Date : 28.04.2012

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 Rs.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

KSL AND INDUSTRIES LIMITED

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 performed 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.6491
Firm Reg.No.105114W**

**Place : MUMBAI
Dated : 27.04.2012**

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

Particulars	Notes No.	As at 31.03.2012	As at 31.03.2011
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	37,793.27	47,051.62
(c) Money received against share warrants	-	-	-
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	80,520.54	87,857.37
(b) Deferred Tax Liabilities (Net)	2.4	2,123.18	2,589.54
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(3) Current Liabilities			
(a) Short-Term Borrowings	2.5	32,788.06	24,122.69
(b) Trade Payables	2.6	695.78	743.22
(c) Other Current Liabilities	2.7	13,139.95	12,123.10
(d) Short-Term Provisions	2.8	1,566.01	1,116.12
Total Equity & Liabilities		1,72,653.52	1,79,630.40
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	2.9		
Tangible Assets			
(i) Gross Block		1,43,962.06	1,43,960.07
(ii) Depreciation		45,212.03	35,153.89
(iii) Net Block		98,750.03	1,08,806.18
Capital work in Progress		2,153.99	2,068.02
Intangible Assets		-	-
Others	2.10	695.20	834.24
(b) Non-current investments	2.11	1,311.95	5,311.95
(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	31,109.40	25,578.91
(c) Trade receivables	2.13	28,614.46	25,724.77
(d) Cash and cash equivalents	2.14	533.10	751.03
(e) Short-term loans and advances	2.15	9,485.38	10,555.30
(f) Other current assets		-	-
Total Assets		1,72,653.52	1,79,630.40
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**Sd/-
A. F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114WPLACE : MUMBAI
DATED : 28.04.2012**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**Sd/-
MANAGING DIRECTORSd/-
DIRECTORSd/-
COMPANY SECRETARY

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

Particulars	Notes No.	As at 31.03.2012	As at 31.03.2011
I. Revenue from operations	2.16	1,41,979.83	1,31,335.05
I. Total Revenue		1,41,979.83	1,31,335.05
II. Expenses :			
Cost of Sales	2.17	1,25,081.80	1,08,624.87
Finance Costs	2.18	11,190.37	8,578.24
Depreciation and Amortization Expense	2.19	10,197.18	10,088.02
Other Administrative Expenses	2.20	5,235.17	3,973.23
Total Expenses (II)		1,51,704.53	1,31,264.36
III Profit before exceptional and extraordinary items and tax	(I - II)	(9,724.70)	70.68
IV Exceptional Items		-	-
V Profit before extraordinary items and tax		(9,724.70)	70.68
VI Extraordinary Items		-	-
VII Profit before tax		(9,724.70)	70.68
VIII Tax expense:			
(1) Current tax		-	14.09
(2) Deferred tax		(466.36)	(398.19)
IX Profit(Loss) from continuing operations		(9,258.34)	(341.60)
X Profit(Loss) from discontinuing operations		-	-
XI Tax expense of discounting operations		-	-
XII Profit(Loss) from Discontinuing operations		-	-
XIII Profit(Loss) for the period		(9,258.34)	(341.60)
XIV Earning per equity share:			
Equity shares of per value Rs.4/-each			
(1) Basic		(9.20)	(0.34)
(2) Diluted		(9.20)	(0.34)
No. of share used in computing earning per share		10,06,68,325	10,06,68,325
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**

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

PLACE : MUMBAI
DATED : 28.04.2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
MANAGING DIRECTOR

Sd/-
DIRECTOR

Sd/-
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
I CASH INFLOWS		
(1) From Operating activities		
(a) Profit from operating activities		
Adjustments	-	70.69
Depreciation and amortization	10,197.18	10,088.02
(b) Working capital changes :		
Decrease in inventories		
Decrease in trade receivables		
Decrease in short-term loans and advances	1,069.92	-
Decrease in other current assets		
Increase in trade payables	-	2,042.29
Increase in other current liabilities	1,016.85	-
Increase in provisions	449.89	-
Total of (1)	12,733.84	12,201.00
(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	4,000.00	-
(f) Dividend received		
(g) Interest received		
(h) Other income		
Total of (2)	4,000.00	-
(3) From Financing activities		
(a) Proceeds from issue of share capital		
(b) Share application money pending allotment		
(c) Proceeds from long-term borrowings		
(d) Proceeds from short-term borrowings	8,665.37	-
Total of (3)	8,665.37	0.00
Total cash inflows (1+2+3)	25,399.21	12201.00
II. CASH OUTFLOWS		
(1) From Operating activities		
(a) Loss from operating activities		
Adjustments :	9,724.70	-
Depreciation and amortization		
(b) Working capital changes :		
Increase in inventories	5,530.49	6,097.05
Increase in trade receivables	2,889.69	3,018.50
Increase in short-term loans and advances		
Increase in other current assets		
Decrease in trade payables	47.44	-
Decrease in other current liabilities		
Decrease in provisions		
(c) Direct taxes paid (Net of refunds)		
Total of (1)	18,192.32	9,115.55
(2) From Investing activities		
(a) Purchase of tangible assets / capital work -in-progress	88.04	2,438.79
(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)	88.04	2,438.79

KSL AND INDUSTRIES LIMITED

PARTICULARS	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
(3) From Financing activities		
(a) Repayment of long-term borrowings	7,336.83	1,166.38
(b) Repayment of short-term borrowings		
(c) Dividends paid (including distribution tax)		14.09
(d) Interest and other finance costs		
(e) Share issue expenses		
Total of (3)	7,336.83	1,180.47
Total cash inflows (1+2+3)	25,617.19	12,734.81
III Net (decrease) / increase in cash and cash equivalents (I - II)	(217.93)	(533.81)
Add : Cash and cash equivalents at the beginning of the period	751.03	1284.84
IV Cash and cash equivalents at the end of the period	533.10	751.03

This is the Balance Sheet referred to in 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 : 28.04.2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
MANAGING DIRECTOR

Sd/-
DIRECTOR

Sd/-
COMPANY SECRETARY

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of KSL and Industries Limited for the year ended 31st March 2012. 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 31.03.2012 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 Reg. No.: 105114W

Place : MUMBAI
Dated : 28.04.2012

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.

NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
2.1 Share Capital		
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,2012		As at 31st March,2011	
	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, 2011 and 31st March, 2012 :

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

2.2 Reserve & Surplus

(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	17,632.03	17,973.62
Add : Net Profit/(Net Loss) for the period	(-9,258.34)	(-341.59)
Total (b)	8,373.69	17,632.03
Total (a+b)	37,793.27	47,051.62

2.3 Long Term Borrowing

Secured		
1 Term Loan from Banks*	34,891.24	42,228.07
2 ECB Loan	4,680.89	1,155.14
Unsecured		
1 From Corporates	14,000.00	14,000.00
2 FCCB Liability	26,948.41	30,474.16
Total	80,520.54	87,857.37

* ₹ 9,089.19 (previous year ₹ 14508.94 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 ₹ 27,150.33 Lacs (Previous Year ₹ 28,261 Lacs) is Secured by 1st Mortgage Charge on the shopping mall Empress City, Nagpur.

[Terms of Repayment 8 Years]

ANNUAL REPORT 2011 - 2012

	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
2.4 Deffered Tax Liability		
Depreciation on Fixed Assets	2,123.18	2,589.54
Total	2,123.18	2,589.54
2.5 Short Term Borrowing		
Secured		
Working capital Loan *		
From Banks	32,788.06	24,122.69
Total	32,788.06	24,122.69
* 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)]		
2.6 Trades Payable		
1 Sundry Creditors for Material/Supplies	695.78	743.22
Total	695.78	743.22
2.7 Other Current Liabilities		
1 Interest Accured & due	1,471.28	544.53
2 Interest Accured but not due	167.44	248.68
3 Others Liabilities	1,501.23	1,329.89
4 Share Application money received for allotment of securities and due for refund	10,000.00	10,000.00
Total	13,139.95	12,123.10
2.8 Short Term Provisions		
1 Provision for Taxation	-	14.09
2 outstanding Expenses payable	1,566.01	1,102.03
Total	1,566.01	1,116.12

NOTE 2.9

FIXED ASSETS (AS ON 31.03.2012)

(₹ in Lacs)

Particulars	Gross Block			Depreciation					Net Block	
	As on 01.04.2011	Additon	Deduction	As on 31.03.2012	As on 01.04.2011	Deduction	During The year	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
1 Land & Building(emp)	30,399.57	0.00	0.00	30,399.57	1,349.11	0	720.01	2,069.12	28,330.45	29,050.45
2 Land & Site Development	4,008.25	0.00	0.00	4,008.25	0.00	0	0.00	0.00	4,008.25	4,008.25
3 Building	25,645.89	0.00	0.00	25,645.89	2,674.14	0	856.57	3,530.71	22,115.18	22,971.75
4 Residential Building	127.93	0.00	0.00	127.93	23.50	0	2.09	25.58	102.35	104.43
5 Plant & Machinery	81,527.99	0.00	0.00	81,527.99	30,565.88	0	8,356.16	38,922.04	42,605.95	50,962.11
6 Electric Installation	958.71	0.00	0.00	958.71	131.78	0	45.54	177.32	781.39	826.94
7 Furniture & Fixtures	307.33	1.34	0.00	308.66	127.23	0	18.73	145.96	162.70	180.09
8 Air Conditioner	134.76	0.00	0.00	134.76	41.58	0	8.48	50.06	84.71	93.18
9 Office Equipment	700.82	0.00	0.00	700.82	106.00	0	44.30	150.30	550.53	594.83
10 Computers	83.10	0.67	0.00	83.76	83.10	0	0.03	83.12	0.64	0.00
11 Vehicle	65.72	0.00	0.00	65.72	51.57	0	6.24	57.82	7.90	14.14
Total	1,43,960.06	2.00	0.00	1,43,962.06	35,153.89	0	10,058.14	45,212.03	98,750.03	1,08,806.18
Capital Work in Porgress(tex)	1,523.66	0.00	0.00	1,523.66	0.00	0	0.00	0.00	1,523.66	1,523.66
Capital Work in Porgress(rel)	544.36	85.96	0.00	630.33	0.00	0	0.00	0.00	630.33	544.36
TOTAL	1,46,028.09	87.96	0.00	1,46,116.04	35,153.89	0	10,058.14	45,212.03	1,00,904.02	1,10,874.20
PREVIOUS TOTAL	1,43,589.30	5,849.61	3,410.83	1,46,028.09	25,204.91	0	9,948.98	35,153.89	1,10,874.20	1,18,384.39

	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
2.10 Fixed Assets (other)		
Miscellaneous Expenditure (To the extent not adjusted or written off)		
Deferred revenue expenditure	834.24	973.28
Less : Written off during the year	139.04	139.04
Total	695.20	834.24

KSL AND INDUSTRIES LIMITED

		AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
2.11 Non current Investment			
(a) Investment in Equity Instruments ;			
(i) Quoted Shares			
Asahi Industries Limited 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 Rs.10/-each fully paid up	499996	50.00	50.00
Tayal Energy Ltd. of ₹10/-each fully paid up	469500	46.95	46.95
Reward Real Estate Ltd.of ₹10/-each fully paid up	29997500	-	4,000.00
Total	4,86,58,588	1,311.95	5,311.95
Aggregate Book Value of Quoted Investments		160.00	160.00
Aggregate Market Value of Quoted Investments		5,336.00	6,208.00
Aggregate Book Value of Unquoted Investments		1,151.95	5,151.95
2.12 Inventories			
(a) Textiles :			
1 Raw Material		20,165.88	12,962.23
2 Work-in-Progress		3,738.68	3,763.03
3 Finished Goods		3,586.05	5,555.12
4 Consumables		87.52	63.03
Total (a)		27,578.12	22,343.41
(b) Real Estate :			
1 Marol Maroshi Project		1,994.44	1,821.22
2 Kandivali Project		1,536.84	1,414.28
Total (b)		3,531.28	3,235.50
Total (a+b)		31,109.40	25,578.91
2.13 Trade Recievables			
1 Outstanding for more than six months			
a) Secured, Considered Good :		-	-
b) Unsecured, Considered Good :		54.97	30.65
c) Doubtful		-	-
2 Others			
a) Secured, Considered Good :		-	-
b) Unsecured, Considered Good :		28,559.50	25,694.12
c) Doubtful		-	-
Total		28,614.46	25,724.77
2.14 Cash & Cash Equivalent			
(a) Cash-in-Hand			
Cash Balance		32.66	11.54
Sub Total (a)		32.66	11.54
(b) Bank Balance			
In Current Account		214.89	115.32
Sub Total (b)		214.89	115.32
(c) Fixed Deposit		285.55	624.17
Sub Total (c)		285.55	624.17
Total [a + b + c]		533.10	751.03
2.15 Short Terms Loans and Advances			
1 Others		9,132.49	9,847.52
Advance Recoverable in cash or in kind or for value to be considered good			
2 Subsidiary receivable		352.89	707.77
Total		9,485.38	10,555.30

NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

	YEAR ENDING 31.03.2012 (₹ in Lacs)	YEAR ENDING 31.03.2011 (₹ in Lacs)
2.16 Revenue from Operations		
(a) sale of Product :	1,42,520.51	1,30,601.28
Less : Rebate / Discount	3,510.92	
	<u>1,39,009.59</u>	<u>1,30,601.28</u>
(b) Sale of Services :	995.33	733.77
(c) other Income :	1,974.91	-
Total	<u>1,41,979.83</u>	<u>1,31,335.05</u>
2.17 Cost of Sales		
a) MATERIALS AND GOODS CONSUMED		
Opening Stock	12,962.23	11,977.23
Add : Purchases	1,10,438.69	95,793.89
	<u>1,23,400.92</u>	<u>1,07,771.12</u>
Less : Closing Stock	20,165.88	12,962.23
Raw Material Consumed Sub total (a)	<u>1,03,235.04</u>	<u>94,808.89</u>
b) Change in inventories		
Opening Stock :		
Finished goods	5,555.12	5,369.83
Work in progress	3,763.03	2,076.51
Total (i)	<u>9,318.15</u>	<u>7,446.34</u>
Closing Stock :		
Finished goods	3,586.05	5,555.12
Work in progress	3,738.68	3,763.03
Total (ii)	<u>7,324.73</u>	<u>9,318.15</u>
Sub total (b)(i-ii)	<u>1,993.42</u>	<u>-1,871.81</u>
c) DIRECT/PRODUCTIONS EXPENSES		
Power & Fuel	9,741.39	7,984.75
Stores, chemical & Packing Materials	2,567.02	2,066.27
Labour Charges	5,953.43	4,684.63
Processing & Job work charges	422.67	103.36
Freight Charges	146.63	78.43
Repair & Maintenance	586.33	476.45
Water Charges	172.53	108.42
Loading & Unloading Expenses	263.33	185.48
Sub total ©	<u>19,853.33</u>	<u>15,687.79</u>
Total (a+b+c)	<u>1,25,081.80</u>	<u>1,08,624.87</u>
2.18 Finance Cost		
Interest Cost	10,934.96	8,522.43
Other borrowing cost	255.41	55.81
Total	<u>11,190.37</u>	<u>8,578.24</u>
2.19 Depreciation & Amortization Expenses		
Depreciation	10,058.14	9,948.98
Miscellaneous Expenses W/off	139.04	139.04
Total	<u>10,197.18</u>	<u>10,088.02</u>

KSL AND INDUSTRIES LIMITED

	YEAR ENDING 31.03.2012 (₹ in Lacs)	YEAR ENDING 31.03.2011 (₹ in Lacs)
2.20 Other Administrative Expenses		
Commission & Brokerage	12.15	675.50
Sales Promotion Expenses	186.46	39.16
Transportation Charges	336.99	182.75
Insurance Charges	52.45	67.18
Rent,Rates and Taxes	37.45	59.70
Directors Remuneration	6.00	6.00
Directors Sitting Fees	3.24	3.04
Legal,Professional & Consultancy Charges	264.00	73.37
Travelling & Conveyance	422.69	245.45
Auditors Remuneration	1.10	1.10
Telephone Charges	251.09	159.20
Salary & Staff Welfare Expenses	944.02	761.74
Security Charges	48.96	76.80
Postage & Telegram	166.69	98.74
Printing & Stationery	426.97	235.65
General Expenses	69.78	178.12
Motor Car Expenses	214.69	58.81
Electricity Charges (Net)	178.69	155.84
Repairs and Maintenace Building	56.69	31.46
Repairs and Maintenace Others	116.09	-
Computer Expenses	316.41	-
Advertisement Expenses	896.06	703.71
Office Expenses	178.69	86.12
Service Charges	45.69	29.50
Registration & filling Fees	1.26	43.78
Listing Fees	0.85	0.50
Total	5,235.17	3,973.23

NOTES TO THE ACCOUNTS

a. **Employee benefits :**

- i. Provident fund has been paid regularly in time by the company
 - ii. 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.
 - ii. 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)
Shri M.K.Sharma	: Key Management person
Shri Ajay Gupta	: Key Management person

Disclosure of related party transactions :

Related Party	Nature of Relationship	Nature of Transaction	Volume of Transaction (₹ in Lacs)
Shri Ajay Ramesh Gupta	Key Management Person	Remuneration	6.00
Shri M.K.Sharma	Key Management Person	Remuneration	Nil

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)			
Sr. No.	Future Lease Payments	2011-12	2010-11
1	Not later than 1Year	3.06	3.06
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 31 st March 2012	As at 31 st March 2011
(i) Contingent Liabilities :		
(a) Claims against the company not acknowledge as debt	--,--	--,--
(b) Guarantees given by the Company	365.11	426.71
(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, 2012 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 factors. 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.
- h. 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.
- i. 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

j. Additional Information under part II of schedule VI of Companies Act 1956

	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
a) Remuneration to Auditors		
Audit Fee	0.94	0.94
Tax Audit Fee	0.15	0.15
b) Remuneration to Managing Director	6.00	6.00

k. **Foreign Currency Transaction:-**

Foreign Currency Transaction are accounted for at the rate prevailing on the date transactions. Earning In Foreign Currency (Current Year) NIL Raised through FCCB for Textile Expansion which has been used for the said purpose mentioned in the offer document \$ 80 Million (Prev.year.\$ 80 Million) & interest payment of ₹ 649.31 Lacs

l Break-up Expenditure on employees who were in receipt of remuneration aggregating not less than ₹ 2400000/-, if employed throughout the year or not less than ₹ 200000/- 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

m. Figures of previous year have been re-grouped/re-arranged wherever necessary to confirm to this years classification .

n. Quantitative information in respect of Opening Stock, Purchases, Sales and Consumption of Raw Materials:-

Description	2011-2012		2010-2011	
	Quantity (Tonnes)	Value (₹ in Lacs)	Quantity (Tonnes)	Value (₹ in Lacs)
1. Op. Stock Raw Material	8,499.73	12,962.23	12,559.56	11,977.23
Stock In Process	2,106.63	3,763.03	1,548.15	2,076.51
Finished Goods	2,437.29	5,555.12	3,199.91	5,369.83
2. Cl. StockRaw Material	13,811.64	20,165.88	8,499.73	12,962.23
Stock In Process	2,265.45	3,738.68	2,106.63	3,763.03
Finished Goods	1,525.95	3,586.05	2,437.29	5,555.12
3. Purchases	76,164.14	1,10,438.69	62,996.45	95,614.86
4. Sales	63,342.22	1,42,520.51	59,360.51	1,30,601.28

RAW MATERIAL CONSUMED

a. IMPORTED	NIL	NIL	NIL	NIL
b. INDIGENEOUS	1,03,235.04	100%	94,808.89	100%

o. Expenditure in Foreign Currency : (₹ in Lacs)	2011-12	2010-11
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 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 : 28.04.2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
MANAGING DIRECTOR

Sd/-
DIRECTOR

Sd/-
COMPANY SECRETARY

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 2012, 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 ₹ 366.63 lakhs, and 45889.44 Lakhs respectively as at 31st March, 2012 and Total revenues of ₹ 507.77 Lakhs and ₹ 55022.81 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, 2012;
 - b) In the case of the consolidated profit and loss account, of the consolidated Profit 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
Mem no . 6491
Firm Regn no.105114W

Place : Mumbai
Date : 28.04.2012

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

Particulars	Notes No.	As at 31.03.2012	As at 31.03.2011
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	36,323.23	48,605.98
(c) Money received against share warrants		0.00	0.00
Minority Interest		1,702.68	1,702.68
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	1,07,790.30	1,29,420.37
(b) Deferred Tax Liabilities (Net)	2.4	3,132.75	3,669.69
(c) Other Long Term Liabilities		0.00	0.00
(d) Long Term Provisions		0.00	0.00
(3) Current Liabilities			
(a) Short-Term Borrowings	2.5	42,917.13	29,879.12
(b) Trade Payables	2.6	1,117.46	1,197.50
(c) Other Current Liabilities	2.7	14,355.96	17,649.11
(d) Short-Term Provisions	2.8	3,150.28	2,586.83
Total Equity & Liabilities		2,18,516.52	2,42,738.01
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	2.9		
Tangible Assets			
(i) Gross Block		1,82,151.50	1,82,169.18
(ii) Depreciation		58,882.84	45,235.47
(iii) Net Block		1,23,268.67	1,36,933.72
Capital work in Progress		2,153.99	7,083.71
Intangible Assets		663.43	663.43
(b) Non-current investments	2.10	256.95	256.95
(c) Deferred tax assets (net)		0.00	0.00
(d) Long term loans and advances			
(e) Other non-current assets		0.00	0.00
others	2.11	697.76	836.99
(2) Current Assets			
(a) Current investments			
(b) Inventories	2.12	42,744.36	52,244.89
(c) Trade receivables	2.13	37,952.97	33,526.32
(d) Cash and cash equivalents	2.14	567.50	817.30
(e) Short-term loans and advances	2.15	10,210.89	10,374.70
(f) Other current assets		0.00	0.00
Total Assets		2,18,516.52	2,42,738.01
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 AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR A.F.KHASGIWALA & CO.
CHARTERED ACCOUNTANTSSd/-
A. F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114WSd/-
MANAGING DIRECTORSd/-
DIRECTORPLACE : Mumbai
DATED : 28.04.2012Sd/-
COMPANY SECRETARY

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

Particulars	Notes No.	Year ending 31.03.2012	Year ending 31.03.2011
I Revenue from operations	2.16	1,97,510.41	1,75,908.06
I. Total Revenue		1,97,510.41	1,75,908.06
II Expenses:			
Cost of Sales	2.17	1,75,746.77	1,46,059.50
Finance cost	2.18	14,118.66	10,918.21
Depreciation and Amortization Expense	2.19	13,793.22	13,681.93
Other Administrative Expenses	2.20	6,335.07	5,056.81
Total Expenses (II)		2,09,993.74	1,75,716.43
III Profit before exceptional and extraordinary items and tax	(I - II)	(12,483.33)	191.62
IV Exceptional Items		0.00	0.00
V Profit before extraordinary items and tax		(12,483.33)	191.62
VI Extraordinary Items		0.00	0.00
VII Profit before tax		(12,483.33)	191.62
VIII Tax expense:			
(1) Current tax		0.21	51.68
(2) Short provision for tax in earlier year		0.00	83.65
(3) Deferred tax		(537.10)	520.88
Add: Minority Shareholders share in Loss		0.00	187.39
IX Profit(Loss) from continuing operations		(11,946.44)	(277.20)
X Profit/(Loss) from discontinuing operations		0.00	0.00
XI Tax expense of discounting operations		0.00	0.00
XII Profit/(Loss) from Discontinuing operations		0.00	0.00
XIII Profit/(Loss) for the period		(11,946.44)	(277.20)
XIV Earning per equity share:			
(1) Basic		(0.02)	(0.34)
(2) Diluted		(0.02)	(0.34)
No. of share used in computing earning per share			
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 AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR A.F.KHASGIWALA & CO.
CHARTERED ACCOUNTANTSSd/-
A. F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114WSd/-
MANAGING DIRECTORSd/-
DIRECTORPLACE : Mumbai
DATED : 28.04.2012Sd/-
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	2011-2012 (₹ In Lacs)	2010-2011 (₹ In Lacs)
I CASH INFLOWS		
(1) From Operating activities		
(a) Profit from operating activities	--	191.62
Adjustments :		
Depreciation and amortization	13,793.22	13,681.93
(b) Working capital changes :		
Decrease in inventories	9,500.53	--
Decrease in trade receivables	--	--
Decrease in short-term loans and advances	163.81	
Decrease in other current assets		
Increase in trade payables		5,300.74
Increase in other current liabilities		
Increase in provisions	563.45	
Total of (1)	24,021.01	19,174.29
(2) From Investing activities		
(a) Proceeds from sale of fixed assets	4,947.40	
(b) Proceeds from sale of investments		
Total of (2)	4,947.00	
(3) From Financing activities		
(a) Proceeds from issue of share capital		
(b) Share application money pending allotment		
(c) Proceeds from long-term borrowings		
(d) Proceeds from short-term borrowings	13,038.01	
Total of (3)	13,038.01	0.00
Total cash inflows (1+2+3)	42,006.42	19,174.28
II CASH OUTFLOWS		
(1) From Operating activities		
(a) Loss from operating activities		
Adjustments :		
(b) Working capital changes :		
Increase in inventories		9,687.44
Increase in trade receivables	4,426.65	4,954.58
Increase in short-term loans and advances		
Increase in other current assets		
Decrease in trade payables	80.04	
Decrease in other current liabilities	3,293.15	
Decrease in provisions		
(c) Direct taxes paid (Net of refunds)		214.03
Total of (1)	20,126.52	14,856.05
(2) From Investing activities		
(a) Purchase of tangible assets / capital work -in-progress		3,463.53
(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)	0.00	3,463.53

PARTICULARS	2011-2012 (₹ In lacs)	2010-2011 (₹ In lacs)
(3) From Financing activities		
(a) Repayment of long-term borrowings	21,630.10	1,458.86
(b) Repayment of short-term borrowings		
(c) Dividends paid (including distribution tax)		
(d) Interest and other finance costs		
(e) Share issue expenses		
Total of (3)	21,630.10	1,458.86
Total cash inflows (1+2+3)	41,756.62	19,778.44
III Net (decrease) / increase in cash and cash equivalents (I - II)	249.80	(604.16)
Add : Cash and cash equivalents at the beginning of the period	817.30	1421.46
IV Cash and cash equivalents at the end of the period	567.50	817.30

AS PER OUR REPORT OF EVEN DATE.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR A.F.KHASGIWALA & CO.
CHARTERED ACCOUNTANTS

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

Sd/-
MANAGING DIRECTOR

Sd/-
DIRECTOR

PLACE : Mumbai
DATED : 28.04.2012

Sd/-
COMPANY SECRETARY

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of KSL and Industries Limited for the year ended 31st March 2012. 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 31.03.2012 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.6491
Firm Regn No.105114W
Place : Mumbai
Date : 28.04.2012

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

NOTES ON ACCOUNTS TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

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:

	31.03.2012	31.03.2011
i. Net Profit available for Equity shareholder (₹ in lacs)	(-11946.44)	(-277.20)
ii. Weighted average Number of Equity shares (nos.)	100668325	100668325
iii Basic and diluted Earning per share (₹) (Face value ₹ 4 each)	11.87	0.28

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
A. F. KHASGIWALA
Partner
Membership No. : 006491
Firm Reg. No.: 105114W
Place : MUMBAI
Dated : 28.04.2012

Sd/-
MANAGING DIRECTOR
Sd/-
COMPANY SECRETARY

NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)		
2.1 SHARE CAPITAL				
1 AUTHORIZED CAPITAL				
2,50,000,000 Equity Shares of ₹ 4/- each.	10,000.00	10,000.00		
(Previous Year 2,50,000,000 Equity Shares of ₹ 4/-each)				
50,00,000 Redeemable Preference Shares of ₹10/- each (Previous year 50,00,000 Red. Preference Shares of ₹10/- each)	500.00	500.00		
40,00,000 Redeemable Preference Shares Of ₹100/-each (Of Subsidiary Company)	0.00	4000.00		
2 ISSUED, SUBSCRIBED & PAID UP CAPITAL				
10,06,68,325 Equity Shares of ₹ 4/- each (Previous Year 10,06,68,325 Equity Shares of ₹ 4/- each)	4,026.73	4,026.73		
40,00,000 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 shares holders holding more than 5% shares				
Name of the Shareholders	As at 31st March 2012		As at 31st Mrch, 2011	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Ram pratap tayal	1,12,04,658	11.13	1,12,04,653	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 2011 and 31st March 2012.				
EQUITY SHARES	NUMBER	₹ in Lacs		
Shares outstanding as at the 1st April, 2011	100668325	4026.73		
Add: Shares issued during the period	NIL	NIL		
Shares outstanding as at 31st March, 2012	10,06,68,325	4,026.73		
2.2 Reserve & Surplus				
(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	17,601.81	18,215.33		
Add: Net Profit/(Net Loss) for the period	(11,946.44)	(277.20)		
Total (b)	5,655.37	17,938.12		
Total	36,323.23	48,605.98		
2.3 Long Term Borrowings				
Secured				
Term Loan : From Bank	47,822.05	57,552.12		
ECB Loan	4,680.89	1,155.14		
Unsecured				
1 From Corporates	28,336.96	40,236.96		
2 MSTC Current A/c	1.99	1.99		
3 FCCB Liability	26,948.41	30,474.16		
Total	1,07,790.30	1,29,420.37		
2.4 Deffered Tax Liabilities/Assets				
1 Depreciation on Fixed Assets	3,132.75	3,669.69		
Total	3,132.75	3,669.69		
2.5 Short Term Borrowings				
Secured				
Term Loan : From Bank				
Working Capital Loan	42,917.13	29,879.12		
Total	42,917.13	29,879.12		
2.6 Trades Payable				
1 Sundry Creditors for Material/Supplies	1,117.46	1,197.50		
Total	1,117.46	1,197.50		

KSL AND INDUSTRIES LIMITED

	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
2.7 Other Current Liabilities		
1 Interest Accrued & due	1830.56	745.45
2 Interest Accrued but not due	167.44	248.68
3 Advance from customer	856.73	3764.19
4 Other Liabilities	1501.23	2890.79
5 Share Application money received for allotment of securities and due for refund	10000.00	10000.00
Total	14355.96	17649.11
2.8 Short Term Provisions		
1 Provision for Taxation	0.21	116.91
2 outstanding Expenses payable	3150.07	2469.92
Total	3150.28	2586.83

NOTE 2.9

FIXED ASSETS AS ON 31.03.2012 (Consolidated)

(₹ In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2011	Addition	Deduction	As on 31.03.2012	As on 01.04.2011	Deduction	During The year	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
1 Land & Building(emp)	30,399.57	0.00	0.00	30,399.57	1,349.11	0.00	720.01	2,069.12	28,330.45	29,050.45
2 Land & Site Development	4,312.89	0.00	0.00	4,312.89	0.00	0.00	0.00	0.00	4312.89	4,312.89
3 Building	30,231.23	0.00	0.00	30,231.23	3,354.72	0.00	1,006.01	4,360.73	25,870.50	26,876.50
4 Development property	15.51	0.00	0.00	15.51	4.58	0.00	0.25	4.83	10.68	10.93
5 Plant & Machinery	1,14,807.02	0.00	0.00	1,14,807.02	39,935.89	0.00	11,797.20	51,733.09	63,073.93	74,871.13
6 Electric Installation	958.71	0.00	0.00	958.71	131.78	0.00	45.54	177.32	781.39	826.93
7 Furniture & Fixtures	378.80	1.34	0.00	380.13	146.27	0.00	22.70	168.97	211.16	232.52
8 Air Conditioner	159.70	0.00	0.00	159.70	45.09	0.00	10.06	55.15	104.55	114.61
9 Office Equipment	731.03	0.00	0.00	731.03	120.50	0.00	45.98	166.47	564.56	610.54
10 Computers	83.10	0.67	0.00	83.76	83.10	0.00	0.03	83.12	0.64	0.00
11 Vehicle	71.95	0.00	0.00	71.95	57.79	0.00	6.23	64.03	7.92	14.15
Total	1,82,149.50	2.00	0.00	1,82,151.50	45,228.84	0.00	13,654.00	58,882.84	1,23,268.66	1,36,920.66
Capital Work in Progress(tex)	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00
Capital Work in Progress(rel)	2,068.03	85.96	0.00	2,153.99	0.00	0	0.00	0.00	2153.99	2,068.03
TOTAL	1,84,217.53	87.96	0.00	1,84,305.49	45,228.84	0.00	13,654.00	58,882.84	1,25,422.65	1,38,988.69
PREVIOUS TOTAL	1,81,766.36	5,927.59	3,476.44	1,84,217.51	31,687.55	0	13,541.26	45,228.81	1,38,988.70	1,50,078.81

	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
2.10 Non Current Investment		
(a) Investment in Equity Instruments ;		
(i) Quoted Shares		
Asahi Industries Ltd. Of ₹1/- each Fully paid up	1,60,00,000	160.00
In others		
Mori hanol Hydro-power Ltd.of ₹10/-each fully paid up	4,99,996	50.00
Tayal Energy Ltd. Of ₹10/-each fully paid up	4,69,500	46.95
Total	1,69,69,496	256.95
Aggregate Book Value of Quoted Investments	160.00	160.00
Aggregate Market Value of Quoted Investments	5,336.00	6,208.00
Aggregate Book Value of Unquoted Investments	1,151.95	5,151.95
2.11 Others (Fixed Assets)		
Miscellaneous Expenditure	836.99	976.22
(To the extent not adjusted or written off)		
Less : Written off	139.23	139.23
Total (a+b)	697.76	836.99

	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
2.12 INVENTORIES		
(a) Textiles :		
1 Raw Material	30,915.44	20,001.89
2 Work-in-Progress	4,333.26	4,653.76
3 Finished Goods	3,790.84	6,949.73
4 Consumables	173.54	134.10
Total (a)	39,213.07	31,739.48
(b) Real Estate :		
1 Marol Maroshi Project	1,994.44	1,821.22
2 Kandivali Project	1,536.84	1,414.28
3 Work-in-Progress	0.00	17,269.90
Total (b)	3,531.28	20,505.41
Total (a+b)	42,744.36	52,244.89
2.13 Trade Recievables		
1 Outstanding for more than six months		
a) Secured, Considered Good :	0.00	0.00
b) Unsecured, Considered Good :	93.46	45.81
c) Doubtful	0.00	0.00
2 Others		
a) Secured, Considered Good :	0.00	0.00
b) Unsecured, Considered Good :	37,859.50	33,480.52
c) Doubtful	0.00	0.00
Total	37,952.97	33,526.32
2.14 Cash & Cash Equivalent		
(a) Cash-in-Hand Cash Balance	52.67	33.45
Sub Total (a)	52.67	33.45
(b) Bank Balance In Current Account	229.27	154.23
Sub Total (b)	229.27	154.23
(c) Fixed Deposit	285.55	629.62
Sub Total (c)	285.55	629.62
Total [A + B + C]	567.50	817.30
2.15 Short Terms Loans and Advances		
1 Others Advance Recoverable in cash or in kind or for value to be considered good	9,505.83	9,063.72
2 Security Deposit	0.32	0.32
3 Subsidiary receivable	704.73	1310.65
Total	10,210.89	10,374.70

NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNTS AS AT 31ST MARCH, 2012

	Year Ending 31.03.2012 (₹ in Lacs)	Year Ending 31.03.2011 (₹ in Lacs)
2.16 REVENUE FROM OPERATIONS		
(a) sale of Product :	1,98,809.94	1,74,966.87
Less : Rebate/Discount	(4,269.77)	0.00
	1,94,540.17	1,74,966.87
(b) Sale of Services :	995.33	934.94
(c) other Income :	1,974.91	6.25
Total	1,97,510.41	1,75,908.06
2.17 COST OF SALES		
a) MATERIALS AND GOODS CONSUMED		
Opening Stock	20,001.89	17,155.34
Add : Purchases	1,54,025.61	1,30,214.74
	1,74,027.50	1,47,370.08
Less : Closing Stock	30,915.44	20,001.89
Raw Material Consumed Sub total (a)	1,43,112.06	1,27,368.19
b) Change in inventories		
Opening Stock :		
Finished goods	6,949.73	6,112.46
Work in progress	4,653.75	2,669.77
Total (i)	11,603.48	8,782.23
Closing Stock :		
Finished goods	3,790.84	6,949.73
Work in progress	4,333.26	4,653.76
Total (ii)	8,124.10	11,603.49
Sub total (b)(i-ii)	3,479.38	(2,821.26)
c) DIRECT/PRODUCTIONS EXPENSES		
Power & Fuel	14,273.37	11,250.86
Stores, chemical & Packing Materials	3,037.74	2,389.73
Labour Charges	9,130.18	6,436.85
Processing & Job work charges	422.67	103.36
Freight Charges	378.23	231.40
Repair & Maintenance	667.19	491.02
Water Charges	604.54	108.42
Loading & Unloading Expenses	263.33	185.48
Packing & Forwarding Charges	378.08	315.46
Sub total ©	29,155.33	21,512.58
Total (a+b+c)	1,75,746.77	1,46,059.51
2.18 Finance Cost		
Interest Cost	13,767.28	10,062.15
Other borrowing cost	351.36	762.76
Bank charges	0.02	93.30
Total	14,118.66	10,918.21
2.19 Depreciation & Amortization Expenses		
Depreciation	13,653.99	13,542.70
Miscellaneous Expenses W/off	139.23	139.23
Total	13,793.22	13,681.93

	Year Ending 31.03.2012 (₹ in Lacs)	Year Ending 31.03.2011 (₹ in Lacs)
2.20 Other Administrative Expenses		
Commission & Brokerage	12.65	1049.69
Sales Promotion Expenses	186.46	39.16
Transportation Charges	419.92	218.40
Insurance Charges	77.65	85.29
Rent,Rates and Taxes	45.51	77.08
Directors Remuneration	6.00	6.00
Directors Sitting Fees	3.92	3.88
Legal,Professional & Consultancy Charges	278.73	105.07
Travelling & Conveyance	497.64	287.71
Auditors Remuneration	1.76	2.21
Telephone Charges	313.43	181.65
Salary & Staff Welfare Expenses	1163.53	975.29
Security Charges	64.42	86.98
Postage & Telegram	199.71	146.00
Printing & Stationery	498.88	278.17
General Expenses	70.30	193.01
Motor Car Expenses	214.96	58.95
Electricity Charges (Net)	248.79	216.89
Repairs and Maintenance	199.94	55.23
Advertisement Expenses	900.18	705.61
Office Expenses	221.98	129.11
Service Charges	45.69	29.50
Registration & filling Fees	1.45	46.57
Profession Tax	0.06	0.06
Charity & Donation	0.00	0.45
Listing Fees	0.85	0.50
Miscellaneous Expenses	12.36	58.47
Repairs and Maintenance others	302.05	0.00
Computer Expenses	335.10	11.74
Business Promotion Exp	11.15	8.14
Total	6,335.07	5,056.81

KSL AND INDUSTRIES LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES FOR FINANCIAL YEAR 2011-12

Name of the company	Kalameshwar Textile Mills Limited	Actif Corporation Limited
Financial Year of the Subsidiary Company	31st march, 2012	31st March, 2012
Date from which they became Subsidiary Company the subsidiary Company	19th November, 2003.	6th June, 2006
(a) "KSL and Industries Ltd." with its nominees in the subsidiary at the end of the financial year of the Company	Number of shares held by 1641598 Eq. Shares of ₹ 100/- Each	49994 Eq. Shares of ₹ 10/- Each
(b) Company at the end of the financial year of subsidiary Company	Extent of Interest of holding 100%	0.16%
DETAILS OF SUBSIDIARY COMPANY	(₹ in Lacs)	(₹ in Lacs)
Capital	1649.94	7125.72
Reserve	(-1289.70)	(-2861.76)
Total Assets	366.63	45889.44
Total Liabilities	366.63	45889.44
Details of Investment	0.00	0.00
Total Income	507.77	55022.81
Profit (Loss) Before Taxation	1.03	(-2759.66)
Provision for Taxation	.21	-
Profit (Loss) after Taxation	1.64	(-2689.74)

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-A, Dhanu Udyog Industrial Area, Piperia, Silvassa (Union Territory of Dadra & Nagar Haveli) - 396 230.
(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

30TH ANNUAL GENERAL MEETING

Dp. ID*	
---------	--

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

Member's Name (in capital letters)

Regd. Folio No. No. of Shares held

I hereby record my presence at the 30th Annual General Meeting of the Company being held on Saturday, 14th July 2012 at 12.30 p.m. at 65, Krishna Nagar, Samarvani, Silvassa (U.T.) - 396 230.

.....
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-A, Dhanu Udyog Industrial Area, Piperia, Silvassa (Union Territory of Dadra & Nagar Haveli) - 396 230.

Dp. ID*	
---------	--

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

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

I/We

of in the district 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 30th Annual General Meeting of the Members of the Company to be held on Saturday, 14th July 2012 at 12.30 p.m. of at any adjournment thereof.

Signed this Day of 2012.

Affix Re.1/- Revenue Stamp

* Applicable for investors holding shares in electronic form.

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