




FORM A

**Format of covering letter of the annual audit report to be filed
with the stock exchanges**

1.	Name of the Company:	KSE Limited
2.	Annual financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- <ul style="list-style-type: none"> Managing Director Chief Financial Officer Chairman, Audit Committee Auditor of the company 	<p>For KSE Limited</p>  <p>M.C. Paul Managing Director</p> <p>For KSE Limited</p>  <p>R. Sankaranarayanan Chief Financial Officer and Company Secretary</p> <p>For KSE Limited</p> <p>Sathi A Menon</p> <p>Ms. Sathi A. Menon Chairman, Audit Committee KSE Limited</p> <p>For Varma & Varma (Firm No. 004532 S)</p>  <p>(C. Pankajakshan, M. No. 12948) Partner Chartered Accountants</p>





51st Annual Report

2014-2015

Respectful Homage



P. K. VARGHESE

04.05.1946 - 12.07.2015

Executive Director
KSE Limited

*Your guidance and support will always be cherished
and will continue to inspire us in our future endeavours.*



CIN : L15331KL1963PLC002028

Registered Office

Solvent Road, Irinjalakuda,
Kerala -680 121

Statutory Auditors

M/s. Varma & Varma,
(Firm No.004532 S)
Chartered Accountants,
Marath Lane, M.G. Road
Thrissur.

Secretarial Auditors

CS Sathish V.
Practising Company Secretary
(FCS 8005 ; COP 8343)
Ernakulam

Cost Auditors

M/s. A. R. Narayanan & Co.
Cost Accountants, Regn. No.: 101421,
Ernakulam.

Bankers

ICICI Bank Limited

Registrars and Share Transfer Agents

M/s. S.K.D.C. Consultants Limited,
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road, Ganapathy,
Coimbatore – 641006
Phone : 0422 6549995
Mail : info@skdc-consultants.com

Annual General Meeting

On Saturday,
19th September, 2015 at 3.00 p.m.

Venue

Registered Office,
Solvent Road, Irinjalakuda - 680 121

Chairman

Jose Paul Thaliyath

Managing Director

M. C. Paul

Executive Director

P. K. Varghese (upto 12th July, 2015)

Director and Legal Advisor

A. P. George

Directors

K.P. John (resigned effective from 08.01.2015)

P. D. Anto

Dr. K. C. Vijayaraghavan

John Francis K.

T. R. Ragulal

Joseph Xavier

Sathi A. Menon (from 25.09.2014)

Paul John (from 12.02.2015)

Chief General Manager

Anand Menon

Chief Financial Officer and Company Secretary

R. Sankaranarayanan

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Financial Highlights

	2014-2015	2013-2014
	₹ in Lakhs	₹ in Lakhs
Sales and other income	90133.16	80720.11
Gross Profit (Profit before Depreciation and Finance costs)	6173.90	2956.30
Profit before tax	6388.93	2343.87
Net profit after tax	4363.41	1537.36
Shareholders' Equity (Net worth)	7181.07	4858.09
Capital employed	7764.13	5702.41
Gross fixed assets	7975.51	8110.64
	₹	₹
Shareholders' equity per share	224.41	151.82
Earnings per share of ₹ 10 each	136.36	48.04
Dividend rate	500%	200%



NOTICE OF THE 51ST ANNUAL GENERAL MEETING

Notice is hereby given that the 51st Annual General Meeting of KSE Limited, Irinjalakuda will be held at the Registered Office of the Company on Saturday, the 19th September, 2015 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. Adoption of Accounts for the year ended 31st March, 2015

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT the audited financial statements of the Company for the year ended 31st March, 2015 including balance sheet as at 31st March, 2015 and the statement of profit and loss for the year ended 31st March, 2015 together with the reports of the board of directors and the auditors of the Company thereon, as presented to the meeting, be and are hereby received, approved and adopted.”

2. To declare dividend on equity shares at the rate of ₹ 50 per equity share

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT dividend of ₹ 50 per equity share on 32,00,000 equity shares of ₹ 10 each be and is hereby declared out of the profits of the Company for the year ended 31st March, 2015, including the interim dividends declared by the Board of Directors of the Company on 12th February, 2015 and 25th March, 2015 aggregating to ₹ 30 per equity share of ₹ 10 each, absorbing a total amount of ₹ 19,22,23,248 (including dividend distribution tax and cess thereon) and that the final dividend of ₹ 20 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30th May, 2015 be paid to those shareholders, whose names appear in the Company’s register of members as on 19th September, 2015 and in respect of equity shares held in dematerialised form to those beneficial owners of the equity shares as at the end of business hours on 31st August, 2015 as per the details furnished by the depositories for this purpose.”

3. To appoint a Director in place of Mr. A.P. George (DIN : 00106808), who retires by rotation and being eligible, offers himself for re-appointment

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. A.P. George (DIN : 00106808), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

4. To appoint a Director in place of Mr. T.R. Ragulal (DIN : 00361070), who retires by rotation and being eligible, offers himself for re-appointment

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. T.R. Ragulal (DIN : 00361070), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

5. Ratification of Appointment of Auditors

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT the members do and hereby ratify the appointment of M/s. Varma & Varma, Chartered Accountants (ICAI Firm Registration No. 004532 S) as Auditors of the Company in the Annual General Meeting (AGM) held on 25th September, 2014 till the conclusion of the fifty third AGM of the Company to be held in the year 2017, pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, on such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

6. Appointment of Independent Director

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sec.149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under, read with Schedule-IV of the Act, Mr. Paul John (DIN: 00601440), who has been appointed as an Independent Director by the Board in its meeting held on 12th February, 2015 in the casual vacancy arising out of the resignation of Mr. K.P. John (DIN: 00106897) to hold the office till the date the outgoing director Mr. K.P. John (DIN: 00106897) would have held office, had it not been vacated, that is, upto 25th September, 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Paul John, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as a candidate for the office of Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto 25th September, 2019 and he is not liable to retire by rotation.”

7. Approval of remuneration to Cost Auditor

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment there of for the time being in force), M/s. A.R. Narayanan & Co, Cost Accountants, Cochin, (ICAI Firm Registration No. 101421) appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2016 be paid the remuneration of ₹ 1,75,000 plus service tax and out of pocket expenses.

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

8. Approval for acceptance of Deposits from Public/Members

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 73, 76 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Acceptance of Deposits) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be accorded to the Company to invite/accept/renew from time to time unsecured/secured deposits from the public and/or Members of the Company upto the permissible limits as prescribed under the Rules.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company (herein after referred to as “the Board” which term shall be deemed to include any Committee there of) be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such invitation/acceptance/renewal of deposits by the Company and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

9. Approval for enhancement of remuneration to Mr. P.K. Varghese, Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment there to or enactment there of for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the enhancement of remuneration, by way of salary, bonus, perquisites and allowances of Mr. P.K. Varghese (DIN 00106697), Executive Director of the Company within the tenure of his current appointment, from 1st April, 2015 till his death on 12th July, 2015 as follows which is as approved by the Nomination and Remuneration Committee and also by the Board of Directors of the Company in their meeting held on 25th March, 2015:

a) Salary

₹ 1,30,000 (Rupees One Lakh Thirty Thousand only) per month.

b) Bonus

Bonus at the rates and in accordance with the rules of the Company as applicable to the senior managerial personnel of the Company within the overall limit under Schedule V to the Companies Act, 2013.

c) Gratuity

Gratuity, as per the Rules of the Company, at the rate of half a month's salary for each year of completed service including past service with the Company.

d) Contribution to funds

Company's contribution to provident fund to the extent the same is not taxable under the Income tax Act, 1961.

e) Benefits, Perquisites and Allowances

- i. Provision of a car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed to him, if he is not provided with Company's driver.
- ii. Free use of Company's Mobile Phone and telephone at his residence.
- iii. Reimbursement of medical expenses incurred for himself and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- iv. Actual leave travel expenses, as per the Rules of the Company, excluding hotel charges once in a year to any place in India to himself and his family.
- v. Fees to clubs subject to a maximum of two clubs provided that no life membership fee or admission fee is paid.

The value of the perquisites would be evaluated as per Income tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

“RESOLVED FURTHER THAT in the event of there being inadequacy or absence of profits during the above period, he will be paid remuneration in terms of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactments there of or such other limit as may be prescribed by the Government from time to time as minimum remuneration.”

10. Posthumous benefits to Late P.K. Varghese, Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. Marykutty Varghese, wife of Late P.K. Varghese who was Executive Director of the Company, be paid ₹ 3,90,000 (Rupees Three Lakhs Ninety Thousand only), which is equivalent to three month's last drawn salary of Late P.K. Varghese, as Leave Salary and that the Hyundai Motors Neo Elantra CRDI SX motor car with Registration No. KL - 45 H 8644 owned by the Company and being used by Late P.K. Varghese for official purposes of the Company, purchased on 18th October, 2012 for ₹ 16,63,170 and having a written down value of ₹ 6,09,822 as on 23rd July, 2015, be handed over to Mrs. Marykutty Varghese, wife of Late P.K. Varghese as a reward from the Company for the selfless services rendered by him towards the growth and development of the Company during the period of his association with the Company spanning over a period of 45 years.”

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 in respect of the Special Business set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote on a poll instead of himself and such a proxy need not be a member.
3. The instrument of proxy must be deposited with the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Members / Proxies are requested to bring duly filled Attendance Slip to attend the Meeting, along with their copy of Annual Report.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
7. Relevant documents referred to in the accompanying notice and the explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 will be available for inspection at the registered office of the Company during business hours on all working days up to the date of Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2015 to 19th September, 2015 (both days inclusive).
9. The dividend, if declared at the Annual General Meeting, would be paid/despached on or after 19th September, 2015 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 31st August, 2015 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode; and
 - (b) whose names appear as Members in the Register of Members of the Company as on 19th September, 2015 after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 31st August, 2015.
10. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to Investor Education and Protection Fund pursuant to Section 205 A of the Companies Act, 1956. It may be noted that no claim shall lie against the Company or the Investor Education and Protection Fund in respect of unclaimed dividend amount thus transferred to the said Fund. The members who have not encashed the dividend warrants for the final dividend for financial year ended 31st March 2008 onwards are requested to lodge their claim with the Company.
11. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends relating to the financial years from 2006-2007, as on the date of the 50th Annual General Meeting (AGM) held on 25th September, 2014, on the website of the IEPF (www.iepf.gov.in) and on the website of the Company at www.kselimited.com.
12. The members are requested to address all correspondences, including dividend matters and change in their addresses, to M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
13. Members holding shares in the electronic mode are requested to approach their respective Depository Participants for effecting change of address and updation of bank account details.

14. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents of the Company, at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
15. Members have facility for dematerialising equity shares of the Company with National Securities Depository Ltd. and Central Depository Services (India) Ltd. The ISIN No. allotted to the Company is INE953E01014. Any member desirous of dematerialising his holding may do so through any of the Depository Participants.
16. Members may note that transferees of shares of the Company in physical form shall furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares.
17. Information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the directors seeking appointment / re-appointment at the AGM are furnished and forms part of the notice. The directors have furnished the requisite consents / declarations for their appointment / re-appointment.
18. **VOTING THROUGH ELECTRONIC AND PHYSICAL MEANS**

The members holding shares of the Company, either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th September, 2015, will be eligible to cast their votes in any of the three modes mentioned below:

- A) In compliance with the provisions of Clause - 35B of the Listing Agreements read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 51st Annual General Meeting scheduled to be held on Saturday, the 19th September, 2015 at 3.00 p.m. by electronic means and the business may be transacted through e-voting. Once the member exercise vote by e-voting, he will not be allowed to change it subsequently or cast the vote again. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below.
- B) In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Physical Ballot Form is annexed. A member desiring to exercise vote by physical ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr. Sathish V., Scrutinizer - Physical Ballot Voting Process, KSE Limited, Solvent Road, Irinjalakuda – 680121, Thrissur Dt., Kerala so as to reach him on or before 18th September, 2015 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received. Kindly note that members can opt for only one mode of voting i.e., either by physical ballot or through e-voting. However, in case of Members casting their vote both by physical ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
- C) A member may participate in the general meeting even after exercising his right to vote through remote e-voting or physical ballot, but will not be entitled to cast his/her vote again. In terms of Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, for members who have not already cast their votes either by remote e-voting or physical ballot, facility to cast their vote at the meeting will be provided.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 16th September, 2015 at 9.00 a.m. and ends on 18th September, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 18th September, 2015 at 5.00 p.m.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.

- (iv) Now Enter your User ID.
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "KSE Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xviii) Note for Non - Individual Shareholders and Custodians

- Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Irinjalakuda
 23-07-2015

By Order of the Board
 For KSE Limited

REGISTERED OFFICE
 Solvent Road, Irinjalakuda – 680121
 Thrissur – KERALA.

Sd/-
 R. Sankaranarayanan
 Chief Financial Officer and
 Company Secretary

EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item 6 - Appointment of Independent Director

Mr. K.P. John (DIN: 00106897) was appointed as an independent Director of the Company in the Annual General Meeting held on 25th September, 2014 for a period of five years upto 25th September, 2019. Due to personal reasons, he resigned from that post and the Board accepted his resignation in their meeting held on 8th January, 2015. Mr. Paul John (DIN: 00601440) was appointed as an Independent Director of the Company by the Board in their meeting held on 12th February, 2015 in the casual vacancy arising out of the resignation of Mr. K.P. John, to hold office till the date the outgoing director Mr. K.P. John would have held office, if it had not been vacated, that is up to 25th September, 2019, subject to the approval of the members in the General Meeting by an ordinary resolution.

Mr. Paul John (DIN: 00601440) hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He is also engaged in cashew business. He has graduated in Civil Engineering. He has been nominated as a member of the Audit Committee and Nomination and Remuneration Committee of the Company by the Board in its meeting held on 10th March, 2015.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 along with the requisite deposit amount from a member signifying the intention to propose his candidature to the office of director of the Company.

In the opinion of the Board, Mr. Paul John (DIN: 00601440) fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the listing agreement and he is independent of the management.

Copy of the draft letter for appointment of Mr. Paul John as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges. Information about Mr. Paul John (DIN: 00601440), in accordance with clause 49 of the listing agreement is attached.

Mr. Paul John (DIN: 00601440) is interested in the resolution. None of the other directors and key managerial personnel of the Company and their relatives are concerned or interested in this resolution, financial or otherwise. Your directors commend the resolution for adoption.

Item 7 - Approval of remuneration to Cost Auditor

The Board has approved the appointment of M/s. A.R. Narayanan & Co, Cost Accountants, Cochin, (ICAI Firm Registration No. 101421), a firm of Cost Accountant in Practice, as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2016 on a remuneration of ₹ 1,75,000 plus service tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2016.

None of the directors and key managerial personnel of the Company and their relatives are concerned or interested in this resolution, financial or otherwise. Your directors commend the resolution for adoption.

Item 8 - Approval for acceptance of Deposits from Public/Members

The Company is accepting Fixed Deposits from public and members complying with the conditions laid down by Sections 73, 74(1) and 76 of the Companies Act, 2013 ("the Act") and Companies (Acceptance of Deposits) Rules, 2014 ("the Rules"). Under the Act only an eligible company is allowed to accept deposits from persons other than its Members. An eligible company has been defined in the Rules to mean a public company as referred to in subsection(1) of Section 76, having a net worth of not less than one hundred crore rupees or a turnover of not less than five hundred crore rupees and which has obtained the prior consent of the company in general meeting by means of a special resolution and also filed the said resolution with the Registrar of Companies before making any invitation to the public for acceptance of deposits. Where the deposits accepted are within the limits specified under clause (c) of sub-section (1) of Section 180, the Company may accept deposits by means of an ordinary resolution, as provided in the Rules.

The Rules provide that the invitation for deposits is valid only up to six months from the closure of the financial year in which the invitation was made or upto the date of Annual General Meeting, whichever is earlier. Afterwards, for all renewals and further acceptance of deposits fresh invitation with prior consent of the Company in general meeting is necessary as mentioned above.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution, as set out at Item No. 8 of the Notice. This Resolution enables the Board of Directors of the Company to accept/renew deposits upto the permissible limits laid down in the Rules.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice except to the extent to any deposits that they may have placed with the Company and interest payable thereon under its present Fixed Deposit Scheme.

The Board commend the Ordinary Resolution as set out at Item No. 8 of the Notice for approval by the Members.

Item 9 - Enhancement of Remuneration of Mr. P.K. Varghese, Executive Director

Mr. P.K. Varghese (DIN: 00106697), aged 69, was reappointed in the Annual General Meeting held on 31st July, 2012 as Executive Director of the Company for a period of three years from 1st November, 2012 on a remuneration with salary at ₹ 70,000 per month in the scale of ₹ 70,000-3,000-76,000 along with bonus, other perquisites and allowances. Later, in the Annual General Meeting held on 31st July, 2013 his salary was enhanced to ₹ 90,000 per month for the period from 1st August, 2013 to 31st October, 2014 and further to ₹ 93,000 per month for the period from 1st November, 2014 to 31st October, 2015. Considering the general increase in remuneration across the industry and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 25th March, 2015 decided to enhance his remuneration from 1st April, 2015 till the expiry of his present term of appointment, that is upto 31st October, 2015, in the manner as specified in the resolution under Item 9, subject to the consent of members in general meeting by ordinary resolution. Unfortunately, he passed away on 12th July, 2015. The remuneration enhanced by the Board in their meeting held on 25th March, 2015, subject to approval of the shareholders, has been paid to him with effect from 1st April, 2015.

Mr. P.K. Varghese (DIN: 00106697) joined as a Director of the Company from 29th December, 1970 and was acting as a Whole-time Director of the Company from 1st November, 1994 to 31st August, 2007. From 1st September, 2007 he was elevated as Executive Director. He hailed from a business family in Irinjalakuda renowned for running oil mills. He was having immense practical experience in oil milling. He was a graduate in Science.

Board accordingly recommends for the enhancement of remuneration of Mr. P.K. Varghese (DIN: 00106697), Executive Director of the Company from 1st April, 2015 till the date of his death on 12th July, 2015, as set out in the resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. P.K. Varghese (DIN: 00106697), to the extent of remuneration payable to him, is concerned or interested, financial or otherwise, in the above resolution.

As required under the provisions of Schedule V to the Companies Act, 2013, the following information is provided.

I	GENERAL INFORMATION		
1	Nature of Business	KSE Limited is engaged in the manufacture of compound cattle feed, extraction of oil from copra cake by solvent extraction process and refining the same to edible grade and in dairying including ice cream.	
2.	Date of commencement of commercial production	The Company was incorporated on 25.09.1963 and the commercial production was started in April, 1972.	
3.	In case of new companies, expected date of commencement of activities	NOT APPLICABLE	
4.	Financial Performance	Particulars of 2014-15	₹ in Lakhs
		Total Revenue – Sales and Other Income	90,133.16
		Profit Before Income tax	6,388.93
		Tax Expenses	2,025.52
		Net Profit after Tax	4,363.41
		Net worth	7,181.07
5.	Foreign investments or collaborations	Nil	
II	INFORMATION ABOUT APPOINTEE		
1.	Back Ground Details	As narrated above	
2.	Past Remuneration	For financial year 2014-15 - ₹16.30 lakhs	
3.	Recognition or awards	He is not a recipient of any awards at personal level. However, he had received several awards on behalf of the Company at various occasion.	
4.	Job Profile and his suitability	Overall management of the Company. Given his experience, the enhancement of remuneration to Mr. P.K. Varghese is considered well suited for the position.	
5.	Remuneration proposed	As specified in the Resolution.	
6.	Comparative remuneration profile with respect to the industry	The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in Feed Industry.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Besides the remuneration proposed to be paid to him, the details of pecuniary relationships of Mr. P.K. Varghese and his relatives and concerns in which they are interested for the year 2014-15 are: Sale of products to M/s. Surya Agencies, Irinjalakuda, in which his wife is a Partner ₹43.80 lakhs and purchase of consumables from M/s. Pokkath Auto Fuels, Irinjalakuda, in which his brother is a Partner ₹18.00 lakhs. Deposits of relatives under Fixed Deposit Scheme of the Company outstanding as on 31.03.2015 ₹2.17 lakhs and interest paid during year 2014-15 ₹0.38 lakhs.	
III	OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	Not applicable, as the Company has earned a net profit after tax of ₹4,363.41 Lakhs during the year ended 31 st March, 2015.	
2.	Steps taken or proposed to be taken for improvement	Not Applicable	
3.	Expected increase in productivity and profits in measurable terms	Not Applicable	

Mr. P.K. Varghese (DIN: 00106697) satisfies the conditions laid down in Schedule V to the Companies Act, 2013 as also conditions set out under Sub-Section 3 of Section 196 of the Act for being eligible for the enhancement of his remuneration. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges. Further information about Mr. P.K. Varghese (DIN: 00106697), in accordance with clause 49 of the listing agreement is attached.

Your directors commend the resolution for adoption.

Item 10 - Posthumous benefits to Late P.K. Varghese, Executive Director

Mr. P.K. Varghese (DIN: 00106697), aged 69, was reappointed in the Annual General Meeting held on 31st July, 2012 as Executive Director of the Company for a period of three years from 1st November, 2012 on a remuneration with salary at ₹ 70,000 per month in the scale of ₹ 70,000-3,000-76,000 along with bonus and other perquisites and allowances. Later, in the Annual General Meeting held on 31st July, 2013 his salary was enhanced to ₹ 90,000 per month for the period from 1st August, 2013 to 31st October, 2014 and further to ₹ 93,000 per month for the period from 1st November, 2014 to 31st October, 2015. Considering the general increase in remuneration across the industry and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 25th March, 2015 had decided to enhance his remuneration to ₹ 1,30,000 per month from 1st April, 2015 till the expiry of his present term of appointment, that is upto 31st October, 2015, in the manner as specified in the resolution under Item 9, subject to the consent of members in general meeting by ordinary resolution.

Mr. P.K. Varghese (DIN: 00106697) joined as a Director of the Company from 29th December, 1970 and was acting as a Whole-time Director of the Company from 1st November, 1994 to 31st August, 2007. From 1st September, 2007 he was elevated as Executive Director of the Company and he was holding that post till his death on 12th July, 2015. His active participation in the affairs of the Company and his learned and valuable advices have contributed much to the progress of the Company from the date of commencement of operations of the Company.

Board recommends the shareholders that Mrs. Marykutty Varghese, wife of Late P.K. Varghese, may be paid with three month's salary of Late P.K. Varghese as leave salary and further that the Company's car used by him may be handed over to her in consideration and as a token of appreciation of the Company for his valuable services. The amount of leave salary payable as aforesaid will be ₹ 3,90,000, if the proposed resolution is passed in the ensuing Annual General Meeting. The Car with Registration No. KL-45H-8644, which was used by him was purchased on 18.10.2012 for ₹ 16,63,170 and its written down value as on 23rd July, 2015 is ₹ 6,09,822. Shareholders may approve the above, considering the selfless services rendered by Late Mr. P.K. Varghese towards the growth and development of the Company for a long number of years (about 45 years).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

Irinjalakuda
23-07-2015

REGISTERED OFFICE
Solvent Road, Irinjalakuda – 680121
Thrissur – KERALA.

By Order of the Board
For KSE Limited

Sd/-
R. Sankaranarayanan
Chief Financial Officer and
Company Secretary

Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting

Resolution No.	Item 3	Item 4	Item 6	Item 9 & 10
Name of Directors	Mr. A.P. George (DIN: 00106808)	Mr. T.R. Ragulal (DIN: 00361070)	Mr. Paul John (DIN: 00601440)	Mr. P.K. Varghese (DIN: 00106697)
Date of Birth	19/10/1935	23/05/1962	18/03/1956	04/05/1946
Date of Appointment	25/09/1963	31/01/2002	12/02/2015	29/12/1970
Qualification	B.A., B.L.	BBA from University of Pennsylvania, USA	B.E. (Civil)	B. Sc.
Experience	He is a promoter director of the Company effective from 25.09.1963 and is acting as Director and Legal Advisor of the Company from 1.11.1994. He is also Chairman of Stakeholders Relationship Committee from 28.09.2002. By profession he is Senior Advocate of Irinjalakuda Bar. He was also Chairman of Irinjalakuda Municipality for over seven years. He is also having rich experience in oil milling through his family business.	Hails from a respectable business family of Thrissur. He is currently the Managing Director of M/s. Yamuna Roller Flour Mills Pvt. Ltd and Elite Food Pvt. Limited. He was Chairman of the Kerala State Committee of Confederation of Indian Industries during 2004-05. He is a member of the Stakeholders Relationship Committee of the Company from 28.09.2002. He is also a member of the CSR Committee from the constitution of the Committee on 06.10.2014.	He hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He is also engaged in cashew business. He is a Director in KPL Oil Mills Pvt. Ltd., a leading oil milling unit located at Irinjalakuda. He has been nominated as a member of the Audit Committee and Nomination and Remuneration Committee of the Company by the Board in its meeting held on 10 th March, 2015.	He joined as a Director of the Company from 29 th December, 1970 and was acting as a Whole-time Director of the Company from 1 st November, 1994 to 31 st August, 2007. From 1 st September, 2007 he has been elevated as Executive Director and he was holding that post till his death on 12.07.2015. He belonged to a business family in Irinjalakuda renowned for running oil mills. He had immense practical experience in oil milling.
Directorships held in other Public Limited companies	Director in Catholic Union Chitties Ltd. (CIN: U65992KL1929PLC000191)	Nil	Nil	Nil
Memberships / Chairmanships of committees of other Public Limited companies	Nil	Nil	Nil	Nil
Number of shares held in the Company as on 31.03.2015	58,581	29,208	4,400	10,093

BOARD'S REPORT

Your Directors are pleased to present the 51st Annual Report and the audited accounts for the financial year ended 31st March 2015

Financial Highlights

	Year ended 31.03.2015 ₹ in lakhs		Year ended 31.03.2014 ₹ in lakhs	
Profit before Finance costs, Depreciation and amortisation expenses and Tax expenses		6,173.90		2,956.30
Less : Finance costs	194.49		236.66	
Depreciation and amortisation expenses	<u>636.19</u>	830.68	<u>375.77</u>	612.43
Profit before exceptional items and tax		5,343.22		2,343.87
Add : Exceptional item - Profit on sale of landed property at Mysore		1,045.71		—
Profit before tax		6,388.93		2,343.87
Less : Tax expenses		2,025.52		806.51
Profit after tax for the current year		4,363.41		1,537.36
Add : Opening balance of Surplus		339.70		251.11
Sub-Total		4,703.11		1,788.47
Less : Appropriations				
Transition Adjustment relating to fixed assets	118.20		—	
Transfer to General Reserve	1,700.00		700.00	
Interim Equity dividend	960.00		—	
Proposed dividend	640.00		640.00	
Dividend distribution tax	322.23	3,740.43	108.77	1,448.77
Closing balance of Surplus		962.68		339.70

Dividend

Considering the profits for the current year, your Directors recommend a dividend of 500 % (₹ 50.00 per share of ₹ 10 each) for the year ended 31st March, 2015, including the interim dividends declared by the Board of Directors of the Company on 12th February, 2015 and 25th March, 2015 aggregating to ₹ 30 per equity share of ₹ 10 each, absorbing a total amount of ₹ 19,22,23,248 (including dividend distribution tax and cess thereon). The final dividend of ₹ 20 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30th May, 2015, if approved at the ensuing annual general meeting, will be paid to those shareholders, whose names appear in the Company's register of members as on 19th September, 2015. In respect of equity shares held in dematerialised form, the final dividend will be paid to those beneficial owners of the equity shares as at the end of business hours on 31st August, 2015 as per the details furnished by the depositories for this purpose."

The dividend payout for the year 2014-15 has been decided in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met out of internal cash accruals.

Unpaid Dividend

Pursuant to Section 124 and 125 of Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend upto and including for the financial year 2006-07 on due date to the Investor Education and Protection Fund administered by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on September 25, 2014 (date of last Annual General Meeting) on the website of the Company (<http://www.kselimited.com/investordetails.aspx>), as also on the website of the Ministry of Corporate Affairs.

We give below a table providing the dates of declaration of Dividend since 2007-08 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government.

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Unclaimed amount as on 31st March 2015	Due date for Transfer to Investor Education and Protection Fund
2007-08 (Final Dividend)	28 August, 2008	27 August, 2015	230038	27 September, 2015
2008-09 (Final Dividend)	27 August, 2009	26 August, 2016	392140	26 September, 2016
2009-10 (Final Dividend)	29 July, 2010	28 July, 2017	621690	28 August, 2017
2010-11 (Final Dividend)	28 July, 2011	27 July, 2018	639330	27 August, 2018
2011-12 (Final Dividend)	31 July, 2012	30 July, 2019	798446	30 August, 2019
2012-13 (Final Dividend)	31 July, 2013	30 July, 2020	825250	30 August, 2020
2013-14 (Final Dividend)	25 September, 2014	24 September, 2021	1934240	25 October, 2021
2014-15 (Interim Dividend)	12 February, 2015	11 February, 2022	1976870	14 March, 2022
2014-15 (Interim Dividend)	25 March, 2015	24 March, 2022	64000000 *	24 April, 2022

* Interim dividend declared on 25th March 2015 and subsequently distributed in April 2015.

Transfer to Reserves

The Company proposes to transfer ₹ 17.00 crore to the General Reserve out of amount available for appropriations and an amount of ₹ 962.68 lakhs is proposed to be retained as Surplus.

Operating Results and Business Operations

The over-all profit after tax is ₹ 4,363.41 lakhs in year 2014-15 compared to ₹ 1537.36 lakhs in the previous year. The turnover of the Company improved by 12 % from ₹ 806 crores to ₹ 900 crores during the year ended 31st March, 2015.

Year 2014-15 was a favourable year for the Company. The cost of ingredients for the animal feed was steady throughout the year and there was no call for disturbing the selling prices of the feed. This has incidentally helped us to improve the sales volume of animal feed from 4.01 lakh tons to 4.40 lakh tons during the year 2014-15. The profit of the animal division also moved to ₹ 2,580.57 lakhs from the previous year figure of ₹ 1,701.50 lakhs.

In the cake processing division the copra cake was available at reasonable rates, and the selling price of coconut oil was above ₹ 120 per kg. through out the year. This has also helped us to improve the volume of cake processed from 64,000 tons in the previous year to 68,500 tons in the year under report. The cake processing division reported in the year 2014-15 a profit of ₹ 2,956.03 lakhs compared to a profit of ₹ 784.44 lakhs in the previous year.

In the Dairy division, followed with a volume increase of 14 % in the previous year, the volume of sale of ice cream was flat at 1088 kl. against 1125 kl. in the previous year. The profit of Dairy division was seriously affected by the erosion of margin provided to us by the difference in milk procurement price in Tamil Nadu and the selling price of milk in Kerala. Dairy division reported a profit of ₹ 19.98 lakhs compared to previous year figure of ₹ 159.69 lakhs. The situation in Dairy division is likely to continue grim in the next year also unless there is upward correction in the selling price of milk in Kerala.

Since April, 2015, the ingredient prices are going up. We are having sustained demand for our cattle feed and are hopeful of suitable correction of selling price in tune with ingredient prices. We do not expect further reduction in the cost of cattle feed ingredients in the immediate future. We firmly believe that the sales volume of cattle feed will further improve in the current financial year. We expect to better our performance in Animal feed division, by optimising the feed formulation and making suitable adjustments in the selling prices to match the ingredient prices.

In the current year 2015-16 arrival of local copra cake has improved and it is available in sufficient quantity at reasonable price. Indonesian and Philippine copra cake is also available at competitive rates as per requirement. As such we do not expect any shortage of supply of copra cake. The market price of coconut oil is above ₹ 130/kg. which is encouraging. If the price of coconut oil continues at this level, our margins on cake processing will improve and we are hopeful of a repetition of performance in Cake Processing Division.

We are taking all steps to widen the market for ice cream by appointing new dealers in untapped areas to improve the volume of sales and thereby utilise more of the unused production capacity. In the current year we have allocated additional funds for promotion of Vesta Ice Cream. We expect to improve the volume of sale of ice cream and thereby better the margins of Dairy division.

More information relating to the operations of the Company has been furnished in the Management Discussion and Analysis Report attached to and forming part of this Report as provided under Clause 49 of the Listing Agreement.

Awards and Recognitions

The Company has won the SEA Award constituted by Solvent Extractors' Association of India for highest processor of coconut oil cake for the year 2013-14. This Award is being received by the Company for the past 24 years consecutively since the inception of the award.

Number of meetings of the Board

Thirteen meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

Directors and Key Managerial Personnel

Mr. K.P. John, Dr. Jose Paul Thaliyath, Mr. Joseph Xavier and Mrs. Sathi A. Menon were appointed as Independent Directors of the Company, in the Annual General Meeting held on 25th September, 2014, as per Section 149 of Companies Act, 2013, and hence are not liable for retirement by rotation. Due to ill-health, Mr. K.P. John, who was a member in the Board of your Company from 15.04.1969, resigned from the directorship effective from 08.01.2015. The Board place on record its deep appreciation for the valuable contribution made by him in the growth of the Company, during his long association as a director with the Company.

In the casual vacancy arising on the resignation of Mr. K.P. John, the Board has appointed Mr. Paul John (DIN: 00601440) as an Independent Director on 12.02.2015. Proposal for his appointment as an Independent Director of the Company to hold the office till the date the outgoing Director Mr. K.P. John would have held office, if it had not been vacated (that is upto 25.09.2019), is placed before the members for their approval.

The Company has received declarations from all the independent directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and as per Clause 49 of the Listing Agreement.

Mr. A.P. George and Mr. T.R. Ragulal will retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Mr. M.C. Paul, Managing Director, Mr. P.K. Varghese, Executive Director and Mr. R. Sankaranarayanan, Chief Financial Officer and Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Policy on directors' appointment and remuneration and other details

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its managing director and the executive director. During the year 2014-15, the Company paid sitting fees of ₹ 7,000 per meeting upto 6th October, 2014 and thereafter at ₹ 10,000 per meeting to its non-executive directors for attending meetings of the board. Further, the Company also paid ₹ 3,500 per meeting upto 6th October, 2014 and thereafter at ₹ 5,000 per meeting of committees of the board. The Nomination and Remuneration Policy for the Members of Board and Executive Management is attached to this report as "Annexure A" which forms part of the Board's Report.

Evaluation of Board, Committees and Individual Directors

The Company has devised a Policy for performance evaluation of Independent and other directors, Board as a whole and Committees thereof which include criteria for performance evaluation of the executive and non-executive directors. The Policy for evaluation of performance of the Board of Directors are attached to this report as "Annexure B" which forms part of the Board's Report.

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board during the financial year ended 31st March, 2015. The evaluation was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation. Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors. Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

A separate meeting of the independent directors was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman.

Internal financial control systems and their adequacy

The Company has in place adequate internal financial controls with reference to the financial statements. Such controls were tested annually and during the year no reportable material weakness in the design or operation were observed. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms part of this report.

Risk Management

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans. The Board members are informed about the risk assessment and minimization procedures. The Board is responsible for framing, implementing and monitoring the risk management plan for the company. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviours together govern the business of the Company and manage associated risks.

There are no risks which in the opinion of the Board threaten the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

Vigil Mechanism

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report. The "KSEL Whistle Blower Policy and Vigil Mechanism" can be accessed on the Company's website at the link : <http://kselimited.com/whistleblower.aspx>.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2015 and of the profit of the Company for the financial year ended 31st March, 2015;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Corporate Governance

Corporate Governance Report, Management Discussion and Analysis Report and Certificate from Auditors on Corporate Governance have been furnished separately and form part of this report. The disclosures made in these reports may be considered as compliance of various disclosures prescribed under the Companies Act, 2013 and Rules made thereunder.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee has been formed in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 by the Board on its meeting held on 6th October, 2014. There are four members to the Committee. Dr. K.C. Vijayaraghavan is the chairman of the Committee. Mr. Joseph Xavier, Independent Director and Mr. John Francis K and Mr. T.R. Ragulal, Non-executive Directors are the other members of the Committee. The Committee's terms of reference includes the following:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to above;
- monitor the CSR Policy of the Company from time to time;
- prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes / activities proposed to be undertaken by the Company; and
- such other activities as the Board of Directors may determine from time to time.

During the year ended 31st March, 2015, the Committee met once on 30th December, 2014 and all members, except Mr. T.R. Ragulal, were present at the meeting. The Annual Report on CSR activities for the year ended 31st March, 2015 is given separately as "Annexure C", forming part of this Report.

Public Deposits

Your Company is accepting deposits within the meaning of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. The details relating to such deposits as provided under Rule 8 of the Companies (Accounts) Rules, 2014 are provided in "Annexure D".

The Company is not accepting any other deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

Particulars of loans, guarantees and Investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Transactions with related parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Full disclosure of related party transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given under Note No. 29.9 of Notes to the Annual Accounts.

The policy and procedures on related party transaction as approved by the Board may be accessed on the Company's website at the link: <http://kselimited.com/transactionpolicy.aspx>. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in "Annexure E" in Form AOC-2 and the same forms part of this report.

Extract of annual return

As provided under Section 92(3) of the Act, the extract of annual return is given in "Annexure F" in the prescribed Form MGT-9, which forms part of this report.

Statutory Auditors

M/s. Varma & Varma, Chartered Accountants have been appointed as Auditors of the Company in the annual general meeting held on 25th September, 2014 for a period of three years till the conclusion of 53rd annual general meeting to be held in financial year 2017, subject to ratification of their appointment at every annual general meeting. The Auditors' Report for the financial year 2014-15, does not contain any qualification, reservation or adverse remark.

Cost Auditors

With the prior approval of Central Government, M/s. A. R. Narayanan & Co., Cost Accountants, Ernakulam have been appointed as Cost Auditors for the financial year 2014-15 and they will be submitting their Cost Audit Report with in the time limit stipulated.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed CS. Sathish V., Practicing Company Secretary to conduct the Secretarial Audit of your Company for the financial year ended 31st March, 2015. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith as "Annexure G" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace. During the financial year 2014-15, the Company has not received any complaints on sexual harassment and no complaints remain pending as of 31st March, 2015.

Disclosure relating to Remuneration of Directors, Key Managerial Personnel and particulars of employees

The information required under section 197 of the Act and rules made there-under, in respect of employees of the Company, is provided in "Annexure H" forming part of this report. None of the employees are in receipt of remuneration in excess of the limits specified under clause (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in an "Annexure I" to this Report.

Other Disclosures

No disclosure is made in respect of the following items as there were no events during the year calling for reporting on these items:

1. There was no issue of equity shares with differential rights as to dividend, voting or otherwise.
2. There was no issue of shares (including sweat equity shares and ESOP) to employees of the Company under any scheme.
3. Your Company do not have any subsidiary, associate, joint venture company or holding company and disclosures required in that respect were not dealt with.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. No frauds have been reported by auditors to the Audit Committee or Board under sub-section (12) of section 143 of the Companies Act, 2013.
6. There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year under report and the date of this report.

Acknowledgement

Your Directors wish to place on record their sincere appreciation for the assistance and co-operation received from shareholders, bankers, especially ICICI Bank, Registrars and Share Transfer Agents, customers, distributors and suppliers. Board also acknowledge the valuable committed services of the executives, staff and workers of the Company.

Irinjalakuda
May 30, 2015

By Order of the Board

Sd/-

Dr. Jose Paul Thaliyath
(DIN : 01773031)
Chairman

“ANNEXURE A” TO BOARD’S REPORT

NOMINATION AND REMUNERATION POLICY FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

(As approved by the Board of Directors in their meeting held on 12th February, 2015)

1. Preamble

- 1.1 The Remuneration Policy of KSE Limited (the “Company”) is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and teamwork, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.
- 1.2 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “Executives”).

2. Definitions

- 2.1 Key Managerial Personnel: Key Managerial Personnel means—
 - (i) Chief Executive Officer or the managing director or the manager;
 - (ii) Company Secretary,
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer; and
 - (v) Such other officer as may be prescribed under the Companies Act, 2013
- 2.2 Senior Management : The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

3. Objectives

- 3.1 The main objective of this Policy is constitution of the Nomination and Remuneration Committee and align its functions in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.
- 3.2 The Key Objectives of the Committee would be:
 - 3.2.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
 - 3.2.2 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
 - 3.2.3 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 3.3 Key Objectives of the Policy would be
 - 3.3.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.
 - 3.3.2 The remuneration policy seeks to enable the company to provide a balanced and performance-related compensation package, taking into account interests of shareholders, industry standards and relevant Indian corporate regulations.
 - 3.3.3 The remuneration policy will ensure that the interests of Board members and Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the “pay-for-performance” principle.
 - 3.3.4 The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. Principles of remuneration

- 4.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be designed in a manner that is consistent with, supports and reinforces the achievement of the Company’s vision and strategy.
- 4.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

- 4.3 Internal equity: The Company shall remunerate the board members and the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative status in relation to other positions within the Company.
- 4.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.
- 4.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 4.6 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

5. **Nomination and Remuneration Committee**

- 5.1 The Remuneration Committee of the Board of Directors shall be re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 5.2 The Committee shall be responsible for
 - 5.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc. for Executives and reviewing it on a periodic basis;
 - 5.2.2 Formulating criteria for evaluation of Independent Directors and the Board.
 - 5.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.
 - 5.2.3 Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.
 - 5.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 5.3 The Committee shall:
 - 5.3.1 Review the ongoing appropriateness and relevance of the remuneration policy;
 - 5.3.2 Ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
 - 5.3.3 Obtain reliable, up-to-date information about remuneration in other companies;
 - 5.3.4 Ensure that no director or Executive is involved in any decisions as to their own remuneration.

6. **Selection and appointment of the Board Members**

The Committee shall follow the criteria for membership in the Board

- 6.1 The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required for the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.
- 6.2 In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics and social perspective, educational and professional background and personal achievements.
- 6.3 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- 6.4 The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

7. **Procedure for selection and appointment of Executives other than Board Members**

- 7.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 7.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, and on the human resources market;

- 7.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 7.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;
- 7.5 Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Management Committee and Board of Directors;
- 7.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

8. **Compensation Structure**

8.1 Remuneration to Non-Executive Directors:

- 8.1.1 The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees, except legal adviser who is a member of the Board and is being paid professional fee in his professional capacity. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and for attending the Committees thereof will be fixed by the Board from time to time within the limits prescribed under the Companies Act, 2013. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration.

- 8.1.2 The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

8.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) and Senior Management Personnel (s) (SMPs):

- 8.2.1 The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment and revision has to be approved by the Board but subsequent annual increments shall be approved by the Managing Director of the Company as per the HR policy of the Company.

- 8.2.2 Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The remuneration of MD/WTDs, KMPs and SMPs comprises of salary, bonus, perquisites and also retirement benefits like P.F., Gratuity, etc. as per Rules of the Company.

- 8.2.3 Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance - oriented environment and reward achievement of meaningful targets over the short and long -term.

- 8.2.4 The MD/WTDs, KMPs and SMPs are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. as per the Rules of the Company.

- 8.3 As a policy, the Executive Directors are not paid sitting fee.

9. **Approval and publication**

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be hosted on the Company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

10. **Supplementary provisions**

- 10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the State or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant State laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

“ANNEXURE B” TO BOARD’S REPORT

POLICY FOR EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS OF KSE LIMITED

(Effective from 26th March, 2015)

1. INTRODUCTION:

In an endeavor to safeguard the interest of public at large, the Companies Act, 2013 ('Act') provides that the performance of the board of directors of listed companies and prescribed class of companies must be reviewed regularly against appropriate criteria. For this purpose, the Nomination and Remuneration Committee of a company is required under Section 178 of the Act to formulate a policy for recommending it to the Board of directors of the company, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Based on such performance evaluation, remuneration of executive directors shall be determined. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

This policy aims at establishing a procedure for conducting periodical evaluation of directors' performance and formulating the criteria for determining qualification, positive attribute and independence of each and every director of the Company in order to effectively determine issues relating to remuneration of every director, key managerial personnel and other employees of the Company. This policy further aims at ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties.

For this purpose, the Nomination and Remuneration Committee shall be responsible to identify the persons who are qualified to become directors and who may be appointed in the senior management of the Company and recommend to the Board their appointment and removal.

In addition, the Nomination and Remuneration Committee shall carry out the evaluation of performance of every director in accordance with the criteria contained herein.

Therefore, the Company has made this policy to comply with various provisions under the clause 49 of the Listing Agreement entered into by the Company and Stock Exchanges in India as per the SEBI Regulations published vide its Circular No. CIR / CFD / POLICY CELL / 2 / 2014 dated April 17, 2014 as amended and published vide its Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 and also the formal annual evaluation made by the Board of Directors of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013. The Nomination & Remuneration Committee shall evaluate the performance of the each of the Directors of the Board as per subsection (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made there under.

The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

2. DEFINITIONS:

- A. "the Act": The Act shall mean The Companies Act, 2013;
- B. "the Company": The Company shall mean KSE Limited.
- C. "the Board of Directors" or "the Board": The Board of Directors or the Board, in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
- D. "the Independent Director": The Independent Director shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (5) of the Act.
- E. "the Policy" or "this Policy": The policy or This Policy shall mean the Policy for Evaluation of performance of Board of Directors of the Company.
- F. "the Committee" or "this Committee": The Committee or This Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

3. OBJECTIVE:

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

4. PERFORMANCE EVALUATION:

This appraisal by the Committee to be carried out under the provisions of Section 178 of the Companies Act, 2013, shall be based on the criteria as mentioned in clause 5 below.

5. CRITERIA FOR EVALUATION:

A: APPRAISAL SYSTEM

CRITERIA FOR PERFORMANCE EVALUATION

Criteria	Sub-Criteria for Performance Evaluation	Rating
Based on Job Profile	1. Knowledge of the Job Profile 2. Skills required to perform or to execute the job profile	
Based on Responsibilities and Obligations	1. Attendance and participations in the Meetings 2. Expert opinions in respect of the serious issues	
Based on Strategies	1. Strategies formulated and successfully implemented 2. Various directions provided in the best interest of the Company on key issues	
Based on Performance Management	1. Financial Performance 2. Performance of the Company on the Stock Exchanges 3. Achievement of Award	
Based on Risk Management	1. Avoidance of High Financial Risk while executing the functions and duties 2. Avoidance from any other high risk	
Based on Talent Management	1. Achievement in respect of Successful Negotiations 2. The level of Talent retained at Low, Mid and Top Level	
Based on core governance and compliance management	1. Review of Detailed Compliances applicable under the various Laws, Rules & Regulations 2. Reviewing Whether the Business is running Legally or not	
Based on Annual Targets	1. Targets achieved in Turnover 2. Targets achieved in Manufacturing Activity	
Based on Expansion & Diversification	1. New successfully executed Business Expansions 2. New successfully executed Business Diversifications	
Based on conflict of Interest Management	1. Strategy to resolve the conflict of interest in other Directors 2. Strategy to resolve the conflict of interest in other Employees	
Financial and Operational Control Mechanism	1. Control on Financial Dealings 2. Control on internal Operational Activities	
Corporate culture and Moral values	1. Initiative to maintaining Corporate Culture of the Company 2. Initiative to maintaining Moral Values of the Company	
Integrity and Ethics	1. Initiative to maintaining High level of Integrity 2. Initiative to maintaining High level of Ethics	
Compliance with Code of conduct	1. Functioning of Duties and Responsibilities as per the Code of Conduct for Directors 2. Abidance and behavior in accordance with Code of Conduct for Directors	
General Knowledge and Skill	1. Knowledge about compound animal feed industry 2. Skill and knowledge required for the compound animal feed industry 3. Communication skill and quick responsiveness.	

RATING SCALE

Scale	Performance	Scale	Performance	Scale	Performance
5	Exceptionally Good	4	Good	3	Satisfactory
2	Need Improvement	1	Unacceptable		

B. EVALUATION OF THE PERFORMANCE:

The Committee shall evaluate the performance of each member of the Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code for Independent Directors.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria.

C. EFFECTIVENESS OF THE BOARD:

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

6. EVALUATION OF PERFORMANCE OF BOARD MEMBERS:

The evaluation of performance of Board Members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Nomination and Remuneration Committee for performance evaluation in the Board's Report.

The Independent Directors in their separate meeting shall evaluate the performance of non-independent directors (executive and non-executive).

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Non-Independent Directors of the Company except the Director getting evaluated.

The evaluation procedure shall be as per clauses 7 and 8 below.

7. CRITERIA FOR ANNUAL EVALUATION OF PERFORMANCE:

The following criteria are laid down for evaluation of performance of Independent Directors and the non-independent directors.

1. Attendance and contribution at Board and Committee meetings
2. His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of seriousness and thoughtfulness and understanding of business, strategic direction to align company's value and standards.
3. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and morality.
7. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His/her contribution to enhance overall brand image of the Company.

8. PROCEDURE TO RATE THE PERFORMANCE:

Based on evaluation criteria, the Board shall rate the performance of the each and every Director.

The performance rating shall be given within minimum 1 and maximum 5 categories, the rating 1 being least effective and 5 being most effective. Based on the rating of performance, the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

9. REVIEW

Subject to the approval of Board of Directors, the “Nomination and Remuneration Committee” reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee, subsequently ratified by the Board.

10. DISCLOSURE

In accordance with the requirement under the Companies Act, 2013, and Rules made thereunder and Listing Agreement, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors.

BOARD MEMBER FEEDBACK

Name of the Director

being evaluated :

Sl. No.	Points of evaluation	Rating
1	Participation and attendance in Board and Committee Meetings actively and consistently	
2	Prepares adequately for Board and Committee Meetings	
3	Contributes to strategy and other areas impacting company's performance	
4	Brings his/her experience and credibility to bear on the critical areas of performance of the organization	
5	Keeps updated knowledge of his/her areas of expertise and other important areas	
6	Communicates in open and constructive manner	
7	Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented	
8	Helps to create brand image of the Company and helps the company wherever possible to resolve issues, if any	
9	Actively contributes toward positive growth of the Company	
10	Conduct himself /herself in a manner that is ethical and consistent with the laws of the land	
	Total Rating	

RATING SCALE		Note: Total Rating Ratio 45 and above – Excellent, between 35 to 44 – Very good, between 30 to 34 – Good, between 20 to 29 – Satisfactory & Less than 20 – Unsatisfactory.
5	Exceptionally Good	
4	Good	
3	Satisfactory	
2	Needs Improvement	
1	Unacceptable	

Evaluated by :

Signature :

Date :

“ANNEXURE C” TO BOARD’S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR YEAR ENDED 31ST MARCH, 2015

- 1 Brief outline of CSR Policy of KSE Limited
The CSR Policy of KSE Limited incorporates the company’s philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility. Under the Policy, the Company is committed to spend in every financial year at least 2% of its average net profits for the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Companies Act, 2013. The CSR Policy of the Company can be accessed in the Company’s website “www.kselimited.com” under Investor Relations.
- 2 Composition of CSR Committee
The Corporate Social Responsibility (CSR) Committee has been formed in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 by the Board on its meeting held on 6th October, 2014. There are four members to the Committee. Dr. K.C. Vijayaraghavan is the chairman of the Committee. Mr. Joseph Xavier, Independent Director and Mr. John Francis K and Mr. T.R. Ragulal, Non-executive Directors are the other members of the Committee.
- 3 Average net profit of the Company for the last three financial years
₹ 1528.79 lakhs
(Average profit for financial years 2011-12, 2012-13 and 2013-14)
- 4 Prescribed CSR Expenditure
₹ 30.58 lakhs (2% of the above)
- 5 Details of CSR spent during the financial year
 - (a) Total amount to be spent
₹ 30.58 lakhs
 - (b) Amount unspent
Nil (Total amount spent under CSR for the financial year 2014-15 is ₹ 30.85 lakhs)
 - (c) Manner in which the amount was spent

(1)	Serial Number	1	2	3
(2)	CSR activity identified	Providing Two Dialysis Machines and one Medical RO Plant for dialysis to Sacred Heart Mission Hospital, Pullur, Irinjalakuda	Renovation work of public pond behind Koodalmanikyam Temple, Irinjalakuda	Providing 26 nos. Hospital Beds to the Department of Pediatrics, Government Medical College, Thrissur
(3)	Sector in which the activity is covered	Promotion of Health Care	Conservation of natural resources and maintaining quality of water	Promotion of Health Care
(4)	Area/locality where the project is undertaken	Local in Irinjalakuda	Local in Irinjalakuda	Local In Thrissur District
(5)	Amount outlay (₹ in lakhs) (on each programs)	14.80	15.50	0.55
(6)	Amount spent (₹ in lakhs) (direct expenditure on each program)	14.80	15.50	0.55
(7)	Cumulative Expenditure upto reporting period (₹ in lakhs)	14.80	15.50	0.55
(8)	Amount Spent (₹ in lakhs)	14.80	15.50	0.55

CSR Committee hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

For KSE Limited
Sd/-

M.C. Paul,
(DIN : 00105776)
Managing Director

For KSE Limited
Sd/-

Dr. K.C. Vijayaraghavan, Director
(DIN : 00111953)
(Chairman, CSR Committee)

Place : Irinjalakuda
Date : 30.05.2015

“ANNEXURE D” TO BOARD’S REPORT

DETAILS OF DEPOSITS ACCEPTED UNDER CHAPTER V

(a)	Deposits accepted during the year	₹ 291.90 lakhs
(b)	Deposits remained unpaid or unclaimed as at the end of the year	Nil
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-	No
	(i) at the beginning of the year	Nil
	(ii) maximum during the year	Nil
	(iii) at the end of the year	Nil
(d)	Deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

“ANNEXURE E” TO BOARD’S REPORT

FORM AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms’ length transactions under third proviso thereto

1.	Details of contracts or arrangements or transactions not at arm’s length basis: (a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts / arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Justification for entering into such contracts or arrangements or transactions (f) date(s) of approval by the Board (g) Amount paid as advances, if any (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	NA
2.	Details of material contracts or arrangement or transactions at arm’s length basis: (a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts/arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Date(s) of approval by the Board, if any (f) Amount paid as advances, if any	Nil

By Order of the Board

Sd/-

Dr. Jose Paul Thaliyath
(DIN : 01773031)
Chairman

Irinjalakuda
May 30, 2015

“ANNEXURE F” TO BOARD’S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15331KL1963PLC002028
2.	Registration Date	25/09/1963
3.	Name of the Company	KSE LIMITED
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	KSE LIMITED P.B. NO. 20, Solvent Road, Irinjalakuda, Thrissur India – 680121, Telephone – 0480 2825476 Fax – 0480 2826075, Email – ksekerala@gmail.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. S.K.D.C. Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore – 641006 Telephone – 0422 6549995, 2539835-836 Fax – 0422 2539837, Email – info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cattlefeed manufacturing	108 – Manufacture of Prepared Animal Feeds	82.15%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
There are no Holding, Subsidiary or Associate Companies as on 31.03.2015					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	858600	188010	1046610	32.707	867274	156090	1023364	31.980	-0.727
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	858600	188010	1046610	32.707	867274	156090	1023364	31.980	-0.727
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	858600	188010	1046610	32.707	867274	156090	1023364	31.980	-0.727
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	593837	8800	602637	18.832	595150	8800	603950	18.873	0.041
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	493380	796823	1290203	40.319	570305	745243	1315548	41.111	0.792
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	150692	84740	235432	7.357	139828	84740	224568	7.018	-0.339
c) Others (specify)									
Non Resident Indians	13381	1400	14781	0.462	17123	1400	18523	0.579	0.117
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2493	-	2493	0.078	3326	-	3326	0.104	0.026
Hindu Undivided Families	7844	-	7844	0.245	8838	-	8838	0.276	0.031

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trusts	-	-	-	-	1883	-	1883	0.059	0.059
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1261627	891763	2153390	67.293	1336453	840183	2176636	68.020	0.727
Total Public Shareholding (B)=(B)(1) + (B)(2)	1261627	891763	2153390	67.293	1336453	840183	2176636	68.020	0.727
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2120227	1079773	3200000	100.00	2203727	996273	3200000	100.00	0.00

B) Shareholding of Promoters-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share-holding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	A G REENA	8000.00	0.250	0.00	8000.00	0.250	0.00	0.000
2	A K JOSE	800.00	0.025	0.00	800.00	0.025	0.00	0.000
3	A O ROSY	1600.00	0.050	0.00	1600.00	0.050	0.00	0.000
4	A P PAUL	4300.00	0.134	0.00	4300.00	0.134	0.00	0.000
5	ALICE GEORGE	8700.00	0.272	0.00	8700.00	0.272	0.00	0.000
6	ALLU P ANTO	200.00	0.006	0.00	200.00	0.006	0.00	0.000
7	ANIL KUMAR K C	20000.00	0.625	0.00	20000.00	0.625	0.00	0.000
8	ANISH P ANTO	900.00	0.028	0.00	900.00	0.028	0.00	0.000
9	ANNA JOSE	3000.00	0.093	0.00	7500.00	0.234	0.00	0.141
10	ANNIE JOSEPH	2000.00	0.063	0.00	1000.00	0.031	0.00	-0.032
11	ANNIE PAUL	16000.00	0.500	0.00	3985.00	0.125	0.00	-0.375
12	ANTO PD.	2800.00	0.088	0.00	10200.00	0.319	0.00	0.231
13	ANTONY A G	5400.00	0.169	0.00	5400.00	0.169	0.00	0.000
14	ANTONY JOHN	4500.00	0.141	0.00	4500.00	0.141	0.00	0.000
15	ANU MARIA FRANCIS	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000
16	BASTIAN DEVASSY	1200.00	0.038	0.00	1200.00	0.038	0.00	0.000
17	BEENA JOHN	12260.00	0.383	0.00	12260.00	0.383	0.00	0.000
18	BEENA KAILASHNATHAN	12700.00	0.397	0.00	13700.00	0.428	0.00	0.031
19	BINUVANN FRANCIS	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000
20	DAISY JOSE	11900.00	0.372	0.00	11900.00	0.372	0.00	0.000
21	DEEPA FRANCIS	3100.00	0.097	0.00	3100.00	0.097	0.00	0.000
22	DONY A G	11580.00	0.362	0.00	11580.00	0.362	0.00	0.000
23	DR FRANCIS ALAPPAT	500.00	0.016	0.00	500.00	0.016	0.00	0.000
24	ELIAMMA JOSE	100.00	0.003	0.00	100.00	0.003	0.00	0.000
25	ELIKUTTY CHAKKUNNY	400.00	0.013	0.00	400.00	0.013	0.00	0.000
26	EPHRAIM JOHN K	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share-holding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
27	ESTA JACKSON	22100.00	0.691	0.00	22100.00	0.691	0.00	0.000
28	FR JOSE AKKARAKKARAN	8160.00	0.255	0.00	8160.00	0.255	0.00	0.000
29	FRANCIS JOHN	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000
30	GAYATHRI VIJAYARAGHAVAN	824.00	0.026	0.00	824.00	0.026	0.00	0.000
31	GEETHA PAUL	3800.00	0.119	0.00	3800.00	0.119	0.00	0.000
32	GEORGE A P	58561.00	1.830	0.00	58581.00	1.831	0.00	0.001
33	GEORGE THERATTIL	900.00	0.028	0.00	900.00	0.028	0.00	0.000
34	GITA SEBASTIAN	1500.00	0.047	0.00	1500.00	0.047	0.00	0.000
35	HONEY ROY	1800.00	0.056	0.00	1800.00	0.056	0.00	0.000
36	JACKSON M P	6600.00	0.206	0.00	6600.00	0.206	0.00	0.000
37	JOHN FRANCIS	18120.00	0.566	0.00	18120.00	0.566	0.00	0.000
38	JOHN K P	10260.00	0.321	0.00	10260.00	0.321	0.00	0.000
39	JOHNSON M C	946.00	0.030	0.00	500.00	0.016	0.00	-0.014
40	JOHNSON P D	13600.00	0.425	0.00	13900.00	0.434	0.00	0.009
41	JOJO THOMAS K	1600.00	0.050	0.00	1600.00	0.050	0.00	0.000
42	JOSE JOHN	4500.00	0.140	0.00	0.00	0.000	0.00	-0.140
43	JOSE P V	100.00	0.003	0.00	100.00	0.003	0.00	0.000
44	JOSE PAUL THALIYATH	27117.00	0.847	0.00	27117.00	0.847	0.00	0.000
45	JOSEPH XAVIER	17288.00	0.540	0.00	18597.00	0.581	0.00	0.041
46	K C SASIDHARAN	100.00	0.003	0.00	100.00	0.003	0.00	0.000
47	K C VIJAYARAGHAVAN	45795.00	1.431	0.00	46000.00	1.438	0.00	0.007
48	K J JOSEPH	4300.00	0.134	0.00	4300.00	0.134	0.00	0.000
49	K SEBASTIAN JOHN	5300.00	0.166	0.00	5300.00	0.166	0.00	0.000
50	KOLLARA CHATHUNNY PYARELAL	21774.00	0.680	0.00	23157.00	0.724	0.00	0.044
51	LATHA VENUGOPAL	200.00	0.006	0.00	200.00	0.006	0.00	0.000
52	LATHIKA VIJAYARAGHAVAN	15300.00	0.478	0.00	15300.00	0.478	0.00	0.000
53	LEELA JOHN	1300.00	0.041	0.00	1300.00	0.041	0.00	0.000
54	LEERA JEEJO	4000.00	0.125	0.00	4000.00	0.125	0.00	0.000
55	LINETTA EPHRAIM	3100.00	0.097	0.00	3100.00	0.097	0.00	0.000
56	LISSY DAVIS	2200.00	0.069	0.00	2200.00	0.069	0.00	0.000
57	M C JOHNSON	5000.00	0.156	0.00	5000.00	0.156	0.00	0.000
58	M P BRIGHT	6500.00	0.203	0.00	6500.00	0.203	0.00	0.000
59	M V RITAMMA	12100.00	0.378	0.00	12100.00	0.378	0.00	0.000
60	M C PAUL	37238.00	1.164	0.00	37238.00	1.164	0.00	0.000
61	M P GIGI	11720.00	0.366	0.00	6500.00	0.203	0.00	-0.163
62	MARIAMMA ANTO	17500.00	0.547	0.00	10500.00	0.328	0.00	-0.219
63	MARIAMMA FRANCIS	5100.00	0.159	0.00	5100.00	0.159	0.00	0.000
64	MARINA VINCENT	5523.00	0.173	0.00	3656.00	0.114	0.00	-0.059
65	MARY PAUL	2300.00	0.072	0.00	2300.00	0.072	0.00	0.000

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share-holding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
66	MARYKUTTY VARGHESE	576.00	0.018	0.00	5.00	0.000	0.00	-0.018
67	MEERA PYARELAL	200.00	0.006	0.00	545.00	0.017	0.00	0.011
68	MERCY BASTIAN	16600.00	0.519	0.00	16600.00	0.519	0.00	0.000
69	MINNI JOSEPH	12774.00	0.399	0.00	13284.00	0.415	0.00	0.016
70	MOLLY TOMY	21200.00	0.663	0.00	21200.00	0.663	0.00	0.000
71	P V JOSE	400.00	0.012	0.00	400.00	0.012	0.00	0.000
72	P D GEORGE	100.00	0.003	0.00	100.00	0.003	0.00	0.000
73	P D VINCENT	1800.00	0.056	0.00	1800.00	0.056	0.00	0.000
74	PAUL FRANCIS	29300.00	0.916	0.00	24700.00	0.772	0.00	-0.144
75	PAUL JOHN	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000
76	PRAKASAN K C	12360.00	0.386	0.00	12360.00	0.386	0.00	0.000
77	PREETHY ANTONY	3000.00	0.094	0.00	3000.00	0.094	0.00	0.000
78	PRINCE PANIKULAM	3800.00	0.119	0.00	3800.00	0.119	0.00	0.000
79	PUSHPAM BRIGHT	21100.00	0.659	0.00	21100.00	0.659	0.00	0.000
80	RAGHAVAN VENUGOPAL THANDASSERY	25700.00	0.803	0.00	25700.00	0.803	0.00	0.000
81	REENA GIGI	21200.00	0.662	0.00	21200.00	0.662	0.00	0.000
82	REENA JOY	7500.00	0.234	0.00	7500.00	0.234	0.00	0.000
83	ROSE MARY JAMES	770.00	0.024	0.00	0.00	0.000	0.00	-0.024
84	ROSE VARGHESE	4000.00	0.125	0.00	4000.00	0.125	0.00	0.000
85	ROSY BABY	100.00	0.003	0.00	100.00	0.003	0.00	0.000
86	SALLY PAUL	400.00	0.012	0.00	400.00	0.012	0.00	0.000
87	SARIGA RAGHULAL	200.00	0.006	0.00	200.00	0.006	0.00	0.000
88	SAWMYA VARGHESE	7000.00	0.219	0.00	7000.00	0.219	0.00	0.000
89	SEEMA VARGHESE	4600.00	0.144	0.00	4600.00	0.144	0.00	0.000
90	SHALY THOMAS	700.00	0.021	0.00	700.00	0.021	0.00	0.000
91	SHEELA RAJIVEN	12700.00	0.397	0.00	13700.00	0.428	0.00	0.031
92	SHINY FRANCIS	9000.00	0.281	0.00	9000.00	0.281	0.00	0.000
93	SHYAMA PRAKASAN	500.00	0.016	0.00	500.00	0.016	0.00	0.000
94	SIDDHARTH VIJAYARAGHAVAN	216.00	0.006	0.00	216.00	0.006	0.00	0.000
95	SIMI JACKSON	1000.00	0.031	0.00	1000.00	0.031	0.00	0.000
96	SINI R SANTOSH	12500.00	0.391	0.00	13500.00	0.422	0.00	0.031
97	SINU ANN	4700.00	0.147	0.00	4700.00	0.147	0.00	0.000
98	SONIA SUNNY	14410.00	0.450	0.00	14410.00	0.450	0.00	0.000
99	SQN LDR V J FRANCIS	1000.00	0.031	0.00	1000.00	0.031	0.00	0.000
100	SUJA JOHNSON POKKATH	17100.00	0.534	0.00	17100.00	0.534	0.00	0.000
101	SUMY PAUL	2170.00	0.068	0.00	2170.00	0.068	0.00	0.000
102	SUNIL KUMAR K C	1890.00	0.059	0.00	1890.00	0.059	0.00	0.000
103	SUNNY FRANCIS	17240.00	0.538	0.00	17240.00	0.538	0.00	0.000
104	SURESH JOSE	1400.00	0.044	0.00	1400.00	0.044	0.00	0.000

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share-holding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
105	SUSAN FRANCIS	10600.00	0.331	0.00	10600.00	0.331	0.00	0.000
106	SUSSAMMA JOSE	15958.00	0.499	0.00	15958.00	0.499	0.00	0.000
107	T R RAGHAVAN	6000.00	0.188	0.00	0.00	0.000	0.00	-0.188
108	T R RAGULAL	28208.00	0.882	0.00	29208.00	0.913	0.00	0.031
109	T R VIJAYAKUMAR	24635.00	0.769	0.00	25635.00	0.801	0.00	0.032
110	TEENA PRINCE	2515.00	0.079	0.00	2515.00	0.079	0.00	0.000
111	TESSY GEORGE	5700.00	0.178	0.00	4900.00	0.153	0.00	-0.025
112	THIMATHEWS THOMAS PERUMBILLY	20200.00	0.631	0.00	20200.00	0.631	0.00	0.000
113	THOMAS K C	2900.00	0.091	0.00	2900.00	0.091	0.00	0.000
114	THRESSIAMMA GEORGE	26020.00	0.813	0.00	26020.00	0.813	0.00	0.000
115	TOMY M P	6600.00	0.206	0.00	6600.00	0.206	0.00	0.000
116	USHA FRANCIS	3900.00	0.122	0.00	3900.00	0.122	0.00	0.000
117	USHA HEMACHANDRAN	22320.00	0.698	0.00	22320.00	0.698	0.00	0.000
118	VARGHESE P K	9522.00	0.298	0.00	10093.00	0.315	0.00	0.017
119	VASUDEVAN K C	12260.00	0.383	0.00	12260.00	0.383	0.00	0.000
		1046610.00	32.707	0.00	1023364.00	31.980	0.00	-0.727

C) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1046610	32.707		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	#		#	
	At the end of the year	1023364	31.980		

Transfer details of promoters are given in the next page.

INCREASE/DECREASE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
1	Kollara Chathunny Pyarelal	21774	0.68	1-Apr-14				
				31-Oct-14	2	Transfer	21776	0.68
				7-Nov-14	219	Transfer	21995	0.69
				21-Nov-14	-1135	Transfer	20860	0.65
				20-Mar-15	1775	Transfer	22635	0.71
				20-Mar-15	332	Transfer	22967	0.72
				20-Mar-15	190	Transfer	23157	0.72
		23157	0.72	31-Mar-15			23157	0.72
2	Joseph Xavier	17288	0.54	1-Apr-14				
				4-Apr-14	100	Transfer	17388	0.54
				11-Apr-14	107	Transfer	17495	0.55
				2-May-14	172	Transfer	17667	0.55
				9-May-14	200	Transfer	17867	0.56
				16-May-14	409	Transfer	18276	0.57
				11-Jul-14	45	Transfer	18321	0.57
				12-Dec-14	126	Transfer	18447	0.58
				13-Mar-15	100	Transfer	18547	0.58
				27-Mar-15	50	Transfer	18597	0.58
		18597	0.58	31-Mar-15			18597	0.58
3	Minni Joseph	12774	0.40	1-Apr-14				
				16-May-14	100	Transfer	12874	0.40
				27-Mar-15	410	Transfer	13284	0.42
		13284	0.42	31-Mar-15			13284	0.42
4	Annie Joseph	2000	0.06	1-Apr-14				
				21-Nov-14	-500	Transfer	1500	0.05
				28-Nov-14	-500	Transfer	1000	0.03
		1000	0.03	31-Mar-15			1000	0.03
5	Rose Mary James	770	0.02	1-Apr-14				
				28-Nov-14	-770	Transfer	0	0.00
		0	0.00	31-Mar-15			0	0.00

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
6	Marykutty Varghese	576	0.02	1-Apr-14				
				23-May-14	-571	Transfer	5	0.00
		5	0.00	31-Mar-15			5	0.00
7	Varghese P K	9522	0.30	1-Apr-14				
				23-May-14	571	Transfer	10093	0.32
		10093	0.32	31-Mar-15			10093	0.32
8	Paul Francis	29300	0.92	1-Apr-14				
				12-Dec-14	-481	Transfer	28819	0.90
				9-Jan-15	-900	Transfer	27919	0.87
				23-Jan-15	-919	Transfer	27000	0.84
				30-Jan-15	-500	Transfer	26500	0.83
				6-Feb-15	-260	Transfer	26240	0.82
				20-Feb-15	-1240	Transfer	25000	0.78
				27-Feb-15	-100	Transfer	24900	0.78
				20-Mar-15	-200	Transfer	24700	0.77
		24700	0.77	31-Mar-15			24700	0.77
9	Marina Vincent	5523	0.17	1-Apr-14				
				8-Aug-14	-23	Transfer	5500	0.17
				2-Sep-14	-5500	Demat	0	0.00
				5-Sep-14	5500	Demat	5500	0.17
				19-Sep-14	-24	Transfer	5476	0.17
				30-Sep-14	-200	Transfer	5276	0.16
				7-Nov-14	-25	Transfer	5251	0.16
				14-Nov-14	-400	Transfer	4851	0.15
				21-Nov-14	-200	Transfer	4651	0.15
				28-Nov-14	-595	Transfer	4056	0.13
				20-Feb-15	-500	Transfer	3556	0.11
				27-Feb-15	200	Transfer	3756	0.12
				27-Mar-15	-100	Transfer	3656	0.11
		3656	0.11	31-Mar-15			3656	0.11

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
10	Johnson M C	946	0.03	1-Apr-14				
				13-Jun-14	-139	Transfer	807	0.03
				20-Jun-14	-4	Transfer	803	0.03
				30-Jun-14	-303	Transfer	500	0.02
		500	0.02	31-Mar-15			500	0.02
11	Anto P D	2800	0.09	1-Apr-14				
				6-Feb-15	7200	Transfer	10000	0.31
				31-Mar-15	200	Transfer	10200	0.32
		10200	0.32	31-Mar-15			10200	0.32
12	Mariamma Anto	17500	0.55	1-Apr-14				
				7-Nov-14	100	Transfer	17600	0.55
				14-Nov-14	100	Transfer	17700	0.55
				6-Feb-15	-7200	Transfer	10500	0.33
		10500	0.33	31-Mar-15			10500	0.33
13	George A P	58561	1.83	1-Apr-14				
				13-Mar-15	20	Transfer	58581	1.83
		58581	1.83	31-Mar-15			58581	1.83
14	Anna Jose	3000	0.09	1-Apr-14				
				19-Sep-14	-3000	Transfer	0	0.00
				14-Nov-14	7500	Transfer	7500	0.23
		7500	0.23	31-Mar-15			7500	0.23
15	Jose John	4500	0.14	1-Apr-14				
				19-Sep-14	-4500	Transfer	0	0.00
		0	0.00	31-Mar-15			0	0.00

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
16	Annie Paul	16000	0.50	1-Apr-14				
				13-Feb-15	-2000	Transfer	14000	0.44
				20-Feb-15	-4217	Transfer	9783	0.31
				27-Feb-15	-1883	Transfer	7900	0.25
				6-Mar-15	-1008	Transfer	6892	0.22
				13-Mar-15	-892	Transfer	6000	0.19
				27-Mar-15	-2007	Transfer	3993	0.12
				31-Mar-15	-8	Transfer	3985	0.12
		3985	0.12	31-Mar-15			3985	0.12
17	Beena Kailashnathan	12700	0.40	1-Apr-14				
				17-Oct-14	1000	Transmission	13700	0.43
				12-Dec-14	-1000	Demat	12700	0.40
				12-Dec-14	1000	Demat	13700	0.43
		13700	0.43	31-Mar-15			13700	0.43
18	Kollara Chathunny Vijayaraghavan	45795	1.43	1-Apr-14				
				27-Mar-15	205	Transfer	46000	1.44
		46000	1.44	31-Mar-15			46000	1.44
19	Sheela Rajiven	12700	0.40	1-Apr-14				
				17-Oct-14	1000	Transmission	13700	0.43
				5-Dec-14	-1000	Demat	12700	0.40
				5-Dec-14	1000	Demat	13700	0.43
		13700	0.43	31-Mar-15			13700	0.43
20	Meera Pyarelal	200	0.01	1-Apr-14				
				20-Mar-15	345	Transfer	545	0.02
		545	0.02	31-Mar-15			545	0.02
21	Johnson P D	13600	0.43					
				11-Nov-14	-13600	Transfer	0.00	0.00
				14-Nov-14	13900	Transfer	13900	0.43
		13900	0.43	31-Mar-15			13900	0.43

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
22	Leera Jeejo	4000	0.13	1-Apr-14				
				21-Jan-15	-4000	Demat	0	0.00
				23-Jan-15	4000	Demat	4000	0.13
		4000	0.13	31-Mar-15			4000	0.13
23	M P Gigi	11720	0.37	1-Apr-14				
				5-Jul-14	-1200	Transfer	10520	0.33
				5-Jul-14	-3000	Transfer	7520	0.23
				5-Jul-14	-220	Transfer	7300	0.23
				5-Jul-14	-800	Transfer	6500	0.20
		6500	0.20	31-Mar-15			6500	0.20
24	T R Raghavan	6000	0.19	1-Apr-14				
				17-Oct-14	-6000	Transmission	0	0.00
		0	0.00	31-Mar-15			0	0.00
25	Tessy George	5700	0.18	1-Apr-14				
				7-Apr-14	-200	Transfer	5500	0.17
				12-Jun-14	-200	Transfer	5300	0.17
				12-Jul-14	-400	Transfer	4900	0.15
		4900	0.15	31-Mar-15			4900	0.15
26	T R Raghulal	28208	0.88	1-Apr-14				
				17-Oct-14	1000	Transmission	29208	0.91
		29208	0.91	31-Mar-15			29208	0.91
27	T R Vijayakumar	24635	0.77	1-Apr-14				
				17-Oct-14	1000	Transmission	25635	0.80
		25635	0.80	31-Mar-15			25635	0.80
28	Sini R Santhosh	12500	0.39	1-Apr-14				
				17-Oct-14	1000	Transmission	13500	0.42
		13500	0.42	31-Mar-15			13500	0.42

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
1	PJD Properties And Investments Private Limited	533267	16.66	1-Apr-14				
				30-May-14	11764	Transfer	545031	17.03
		545031	17.03	31-Mar-15			545031	17.03
2	Blaze Kuries and Loans (P) Ltd	28997	0.90	1-Apr-14				
				18-Jul-14	-3778	Transfer	25219	0.79
				25-Jul-14	-3181	Transfer	22038	0.69
				1-Aug-14	-471	Transfer	21567	0.67
				8-Aug-14	-4087	Transfer	17480	0.54
				14-Aug-14	-1483	Transfer	15997	0.50
				22-Aug-14	-1000	Transfer	14997	0.47
				5-Sep-14	-1000	Transfer	13997	0.44
				21-Nov-14	-1000	Transfer	12997	0.41
				30-Jan-15	-1023	Transfer	11974	0.37
				6-Feb-15	-456	Transfer	11518	0.36
				13-Feb-15	-1018	Transfer	10500	0.33
				20-Feb-15	-1000	Transfer	9500	0.29
				27-Feb-15	-1500	Transfer	8000	0.25
				13-Mar-15	-500	Transfer	7500	0.23
		7500	0.23	31-Mar-15			7500	0.23
3	Nina Paul	22100	0.69	1-Apr-14	0	Nil movement during the year		
		22100	0.69	31-Mar-15			22100	0.69
4	SCMS Investment Services Private Limited	22027	0.69	1-Apr-14	0	Nil movement during the year		
		22027	0.69	31-Mar-15			22027	0.69
5	Radha Anand Menon	21711	0.68	1-Apr-14	0			
				6-Jun-14	3000	Transfer	24711	0.77
		24711	0.77	31-Mar-15			24711	0.77
6	Mary Jose	18420	0.57	1-Apr-14	0	Nil movement during the year		
		18420	0.57	31-Mar-15			18420	0.57
7	Shandy Joy	17800	0.56	1-Apr-14	0	Nil movement during the year		
		17800	0.56	31-Mar-15			17800	0.56

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
8	Kurudiara Madhavi	15840	0.50	1-Apr-14	0	Nil movement during the year		
		15840	0.50	31-Mar-15			15840	0.50
9	K L John	14680	0.46	1-Apr-14	0	Nil movement during the year		
		14680	0.46	31-Mar-15			14680	0.46
10	Priya Paul	13000	0.40	1-Apr-14	0	Nil movement during the year		
		13000	0.40	31-Mar-15			13000	0.40

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
A DIRECTORS :								
1	M C Paul Managing Director	37238	1.16	1-Apr-14	0	Nil movement during the year		
		37238	1.16	31-Mar-15			37238	1.16
2	PK. Varghese Executive Director	9522	0.30	1-Apr-14				
				23-May-14	571	Transfer	10093	0.32
		10093	0.32	31-Mar-15			10093	0.32
3	A P George Non- Executive Director	58561	1.83	1-Apr-14				
				13-Mar-15	20	Transfer	58581	1.83
		58581	1.83	31-Mar-15			58581	1.83
4	K P John Independent Non- Executive Director (Ceased to be Director on 08/01/2015)	10260	0.32	1-Apr-14		Nil movement during the year		
		10260	0.32	31-Mar-15			10260	0.32

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
5	P D Anto Non- Executive Director	2800	0.09	1-Apr-14				
				6-Feb-15	7200	Transfer	10000	0.31
				31-Mar-15	200	Transfer	10200	0.32
		10200	0.32	31-Mar-15			10200	0.32
6	Dr. K C Vijayaraghavan Non- Executive Director	45795	1.43	1-Apr-14				
				27-Mar-15	205	Transfer	46000	1.44
		46000	1.44	31-Mar-15			46000	1.44
7	John Francis Non- Executive Director	18120	0.57	1-Apr-14	0	Nil movement during the year		
		18120	0.57	31-Mar-15			18120	0.57
8	T R Raghulal Non- Executive Director	28208	0.88	1-Apr-14				
				17-Oct-14	1000	Transmission	29208	0.91
		29208	0.91	31-Mar-15			29208	0.91
9	Dr Jose Paul Thaliyath Independent Non- Executive Director	27117	0.85	1-Apr-14	0	Nil movement during the year		
		27117	0.85	31-Mar-15			27117	0.85
10	Joseph Xavier Independent Non- Executive Director	17288	0.54	1-Apr-14				
				4-Apr-14	100	Transfer	17388	0.54
				11-Apr-14	107	Transfer	17495	0.55
				2-May-14	172	Transfer	17667	0.55
				9-May-14	200	Transfer	17867	0.56
				16-May-14	409	Transfer	18276	0.57
				11-Jul-14	45	Transfer	18321	0.57
				12-Dec-14	126	Transfer	18447	0.58
				13-Mar-15	100	Transfer	18547	0.58
				27-Mar-15	50	Transfer	18597	0.58
		18597	0.58	31-Mar-15			18597	0.58
11	Sathi A Menon Independent Non- Executive Director (Appointed as Director on 25/09/2014)	0	0.00	1-Apr-14	0	Nil holding/ movement during the year		
		0	0.00	31-Mar-15			0	0.00

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
12	Paul John Independent Non- Executive Director (Appointed as Director on 12/02/2015)	4400	0.14	1-Apr-14		Nil movement during the year		
					0			
		4400	0.14	31-Mar-15			4400	0.14

B KEY MANAGERIAL PERSONS :

1	R. Sankaranarayanan CFO & Company Secretary	3352	0.10	1-Apr-14				
				6-Jun-14	-452	Transfer	2900	0.09
				13-Jun-14	-588	Transfer	2312	0.07
				30-Jun-14	-51	Transfer	2261	0.07
				4-Jul-14	-50	Transfer	2211	0.07
				16-Jan-15	95	Transfer	2306	0.07
				23-Jan-15	81	Transfer	2387	0.07
				30-Jan-15	24	Transfer	2411	0.08
		2411	0.08	31-Mar-15	0	Transfer	2411	0.08

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	703.37		964.00	1667.37
ii) Interest due but not paid				
iii) Interest accrued but not due			116.30	116.30
Total (i + ii + iii)	703.37		1080.30	1783.67
Change in Indebtedness during the financial year				
• Addition	600.00 #	500.00	298.10	1398.10
• Reduction	490.59 #	500.00	338.77	1329.36
Net Change	109.41	0.00	-40.67	68.74
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	812.78		923.33	1736.11
ii) Interest due but not paid				
iii) Interest accrued but not due	0.18		120.87	121.05
Total (i + ii + iii)	812.96		1044.20	1857.16

The daily changes in balances of cash credit accounts has not been considered.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		M C Paul (Managing Director)	P K Varghese (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23.97	13.14	37.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.52	0.98	4.50
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others			
	Leave Travel Allowance	1.46		1.46
	Employer Contribution to Provident Fund	2.40	1.31	3.71
	Provision for Gratuity	13.96	0.87	14.83
	Total (A)	45.31	16.30	61.61
	Ceiling as per the Act	₹ 534.68 lakhs (being 10% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors

(₹ in lakhs)

Sl No.	Particulars of Remuneration	Name of Directors										Total Amount
		A P George	K P John *	P D Anto	Dr K C Vijayaraghavan	John K Francis	T R Raghulal	Dr Jose Paul Thaliyath	Joseph Xavier	Sathi A Menon **	Paul John ***	
1	Independent Directors											
	Fee for attending board committee meetings	-	-	-	-	-	-	1.45	1.36	0.92	0.30	4.03
	Commission											
	Others, please specify											
	Total (1)	-	-	-	-	-	-	1.45	1.36	0.92	0.30	4.03
2	Other Non-Executive Directors											
	Fee for attending board committee meetings	2.53	0.91	2.28	1.31	1.31	0.24	-	-	-	-	8.58
	Commission											
	Others – Professional Fee	2.40	-	-	-	-	-	-	-	-	-	2.40
	Total (2)	4.93	0.91	2.28	1.31	1.31	0.24	-	-	-	-	10.98
	Total (B)=(1 + 2)	4.93	0.91	2.28	1.31	1.31	0.24	1.45	1.36	0.92	0.30	15.01
	Ceiling as per the Act	₹ 53.47 lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)										

* Not a Director as on 31.03.2015 since he resigned on 08.01.2015, ** Appointed as Director on 25.09.2014

*** Appointed as Director on 12.02.2015

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		R. Sankaranarayanan CFO & Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.85
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	- Others, specify...	
5	Others - Employer Contribution to Provident Fund	2.23
	Total	29.29

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

“ANNEXURE G” TO BOARD’S REPORT

SATHISH V
B.COM, LLB, PGDT, ACMA, FCS
PRACTISING COMPANY SECRETARY
B1, I FLOOR, PERIELLATH TOWERS, JAWAHAR – MAHATMA ROAD, VYTTILA P.O, COCHIN - 682019
Phone: 0484 – 6002101; 9961333309 Email: vsathish.cs@gmail.com

Form No. MR-3**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
M/s KSE Limited
Regd Office: Solvent Road
Irinjalakuda
Pin-680 121

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s KSE LIMITED (hereinafter called the company) with Corporate Identity No L15331KL1963PLC002028. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s KSE LIMITED for the financial year ended on 31st March 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Cochin, Mumbai and Madras Stock Exchanges;

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the Memorandum and Articles of Association of the Company, with regard to:
- maintenance of various statutory registers and documents and making necessary entries therein;
 - closure of the Register of Members / Debenture holders;
 - forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - notice of Board meetings and Committee meetings of Directors;
 - the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - the 50th Annual General Meeting held on September 25, 2014;
 - minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - payment of remuneration to Directors, including the Managing Director
 - appointment and remuneration of Auditors and Cost Auditors;
 - transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
 - declaration and payment of dividends;
 - transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
 - borrowings and registration, modification and satisfaction of charges wherever applicable;
 - investment of the Company's funds including inter-corporate loans and investments and loans to others;
 - giving guarantees in connection with loans taken by subsidiaries;
 - form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
 - preparation of Directors Report
 - execution of contracts, affixing of common seal, registered office and publication of name of the company; and
 - generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:-
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/ directorships in other companies and interests in other entities.
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.
 - The company has obtained all necessary approvals under the various provisions of the Act.
4. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and that during the audit period, there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Place : Cochin
 Date : 30.05.2015

SATHISH V
 Practising Company Secretary
 FCS 8005; CP 8343

“ANNEXURE H” TO BOARD’S REPORT

PARTICULARS OF EMPLOYEES

The information required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. Ratio of remuneration of each Director to the median remuneration of all the employees of Your Company for the financial year 2014-15 is as follows:

Sl. No.	Name of Director	Total Remuneration (₹ in lakhs)	Ratio of remuneration of director to the Median remuneration
Non- executive Directors			
1	A P George	4.93	2.17
2	K P John *	0.91	0.40
3	P D Anto	2.28	1.01
4	Dr K C Vijayaraghavan	1.31	0.58
5	John K Francis	1.31	0.58
6	T R Raghulal	0.24	0.11
7	Dr. Jose Paul Thaliyath	1.45	0.64
8	Joseph Xavier	1.36	0.60
9	Sathi A Menon **	0.92	0.41
10	Paul John ***	0.30	0.13
Executive Directors			
1	M C Paul	45.31	19.98
2	P K Varghese	16.30	7.19

Notes :

- * Mr. K P John ceased to be Director of the Company on 08.01.2015. Accordingly, the remuneration shown above is for part of the financial year 2014-15.
- ** Mrs. Sathi A Menon was appointed as Director of the Company on 25.09.2014. Accordingly, the remuneration shown above is for part of the financial year 2014-15.
- *** Mr. Paul John was appointed as Director of the Company on 12.02.2015. Accordingly, the remuneration shown above is for part of the financial year 2014-15.

B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2014-15 are as follows:

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2014-15	2013-14	
1	A P George	Non- executive Director	4.93	4.41	11.79
2	K P John	Non- executive and Independent Director	0.91	1.65	*
3	P D Anto	Non- executive Director	2.28	1.86	22.58
4	Dr K C Vijayaraghavan	Non- executive Director	1.31	0.98	33.67
5	John K Francis	Non- executive Director	1.31	0.98	33.67
6	T R Raghulal	Non- executive Director	0.24	0.45	--
7	Dr. Jose Paul Thaliyath	Non- executive and Independent Director	1.45	1.01	43.56
8	Joseph Xavier	Non- executive and Independent Director	1.36	0.80	70.00

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2014-15	2013-14	
9	Sathi A Menon	Non- executive and Independent Director	0.92	0.00	*
10	Paul John	Non- executive and Independent Director	0.30	0.00	*
11	M C Paul	Managing Director	45.31	27.68	63.70
12	P K Varghese	Executive Director	16.30	17.51	--
13	R. Sankaranarayanan	CFO and Company Secretary	29.29	28.03	4.50

* The percentage increase in remuneration is not reported in these cases as the respective Directors were holding Directorship only for a part of the financial year 2014-15

C. The percentage increase in the median remuneration of employees in the financial year : 21.42%.

D. The number of permanent employees on the rolls of Company: 896 as on 31.03.2015.

E. The explanation on the relationship between average increase in remuneration and Company performance:

The increase in average remuneration of all employees in the financial year 2014-15 as compared to the financial year 2013-14 was 19.86%. The Company do not have employees outside India.

The key indices of Company's performance are:

(₹ in lakhs)

Particulars	2014-15	2013-14	Growth (%)
Net Revenue from operations	89970.05	80630.33	11.58
Profit Before Tax and Exceptional Items	5343.22	2343.87	127.97
Profit After Tax	4363.41	1537.36	183.82

The increase in remuneration is effected in settlement with the Labour Unions at Staff and Worker level; which is influenced by the standards set in the locality where the respective Unit is situated and also across the Industry. The increases in remuneration in respect of officers/ managers are in line with their performance as well as the standards in other similar Industries in the locality.

F. Comparison of the remuneration of the Key Managerial Personnel against the performance of Your Company:

Aggregate remuneration of Key Managerial Personnel (KMP) for 2014-15 financial year (₹ in lakhs)	90.90
Revenue (₹ in lakhs)	89970.05
Remuneration of KMPs (as a % of revenue)	0.10
Profit before Tax (PBT) (₹ in lakhs)	6388.93
Remuneration of KMPs (as a % of PBT)	1.42

G. Details of Share price and market capitalization:

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows :

Particulars	As on 31.03.2015	As on 31.03.2014	Increase/ (Decrease) (%)
Price Earnings Ratio	5.19	4.81	7.90
Market Capitalisation (₹ in lakhs)	22656.00	7390.40	206.56

Note: Closing share price on BSE has been used for the above tables.

Comparison of share price at the time of first public offer and market price of the share as on 31st March, 2015

Particulars	As on 31.03.2015	As on 21.07.1994 *	Increase/ (Decrease) (%)
Market Price (BSE)	708.00	50.00	1316.00

* The date of listing of shares on BSE is 18.07.1994. However the market price is available only from 21.07.1994 and hence the same is adopted.

H. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase in salaries was around 19.86%.

The increase in managerial remuneration for the year was 24.08%.

Increase in the managerial remuneration of non-executive directors is due to revision of sitting fee with effect from 7th October, 2014, for Board Meetings from ₹ 7,000 to ₹ 10,000 per meeting and that for Committee Meetings from ₹ 3,500 to ₹ 5,000 per meeting attended. Increase in the managerial remuneration of Managing Director, Mr. M C Paul was 63.70% due to revision of his salary on his reappointment for a further term of three years with effect from 23rd October, 2014 in the Annual General Meeting held on 25th September, 2014 and also due to its impact on other perquisites and allowances and provision for gratuity. Increase in the remuneration of CFO and Company Secretary was 4.50%.

I. Comparison of each remuneration of Key Managerial Personnel against the performance of the Company

Particulars	M.C. Paul Managing Director	P.K. Varghese Executive Director	R. Sankaranarayanan CFO & CS
Aggregate remuneration of Key Managerial personnel (KMP) for Financial Year 2014-15 (₹ in lakhs)	45.31	16.30	29.29
Revenue for Financial Year 2014-15 (₹ in lakhs)	89970.05		
Remuneration as a % of revenue	0.05	0.02	0.03
Profit Before Tax (PBT) (₹ in lakhs)	6388.93		
Remuneration (as a % of PBT)	0.71	0.25	0.46

J. The key parameters for any variable component of remuneration availed by the directors:

No variable component of remuneration is availed by the Directors.

K. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

No employee, who is not a director, is drawing remuneration in excess of the highest paid director during the year.

L. Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

M. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. List of employees of the Company employed throughout the financial year 2014-15 and were paid remuneration not less than ₹ 60 lakhs per annum:

None of the employees of the Company were paid remuneration exceeding ₹ 60 lakhs per annum.

2. Employees employed for the part of the year and were paid remuneration during the financial year 2014-15 at a rate which in aggregate was not less than ₹ 5 lakhs per month:

None of the employees employed for part for the year were paid remuneration exceeding ₹ 5 lakhs per month.

3. Employees, if employed throughout the financial year or part thereof, who were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:

None of the employee of the Company falls in the category.

“ANNEXURE I” TO BOARD’S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A) Conservation of Energy

Every effort has been taken to utilise the energy most efficiently and judiciously. Automatic power factor correction (APFC) panels has been installed in Palakkad and Koratty Units and also in the Dairy Unit at Konikkara. The atmospheric condenser in the Dairy Plant at Konikkara has been replaced with Plate Heat Exchanger for improvement in efficiency in refrigeration system.

B) Technology Absorption

The Company does not have Technology Transfer Agreements / collaboration agreements with respect to its product line. During the year under review there was no major technology absorption undertaken by the Company.

C) Foreign Exchange Earnings and Outgo

	2014-2015 ₹ in lakhs	2013-2014 ₹ in lakhs
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	4,550.76	1,708.03

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

In KSE Limited, we believe that good governance is a systematic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfills its social responsibilities. We believe in good Corporate Governance, with utmost transparency in its operations achieved by proper disclosures in its Annual Reports, Quarterly Results, Public Announcements, Press Releases and all other communications to shareholders, so as to provide shareholders and all other concerned with information about their Company's working, its strength, weakness, opportunities and threats and thereby enabling them to develop a proper and balanced perspective on the working of their Company.

2. Board of Directors

Board of KSE Limited consists of Eleven Directors, including one woman director. Two of them, Managing Director and Executive Director, are Whole-time Executive Directors. The Chairman of the Board is a non-executive independent director. In total there are four independent directors in the Board. The Board invariably meets in every month and evaluates the performance of the Company. All major policy and business decisions of the Company are placed before the Board and decisions are taken after due deliberations and with mutual consensus. A Management Committee with five Directors as its members is functioning to assist the Board, which is regularly meeting, twice in a month, in order to review the operations of the Company and study the proposals that are to be placed before the Board and make recommendations thereon.

The details of members of the Board, number of equity shares of the Company held by them as on 31.03.2015, number of Board Meetings attended by them during the financial year 2014-15, details as to their attendance in the last AGM, details of other directorships, etc. are given hereunder:

Sl. No.	Name and Designation	Category of Director	No. of shares held	No. of Board Meeting attended	Attendance at last AGM held on 25.09.2014	No. of Other Directorships *		Committee Members	
						Director	Chairman	Member	Chairman
1	Dr. Jose Paul Thaliyath, Chairman	Non-Executive Independent	27,117	13	Present	—	—	—	—
2	Mr. M.C. Paul Managing Director	Executive	37,238	13	Present	—	—	—	—
3	Mr. P.K. Varghese Executive Director	Executive	10,093	13	Present	—	—	—	—
4	Mr. A.P. George, Director and Legal Advisor	Non-Executive	58,581	13	Present	1	—	—	—
5	Mr. K.P. John, Director (upto 08-01-2015)	Non-Executive Independent	10,260	7	Present	—	—	—	—
6	Mr. P.D. Anto Director	Non-Executive	10,200	13	Present	—	—	—	—
7	Mr. John Francis K. Director	Non-Executive	18,120	13	Present	—	—	—	—
8	Dr. K.C. Vijayaraghavan Director	Non-Executive	46,000	13	Present	—	—	—	—
9	Mr. T.R. Ragulal Director	Non-Executive	29,208	3	Present	—	—	—	—
10	Mr. Joseph Xavier Director	Non-Executive Independent	18,597	13	Present	—	—	—	—
11	Mrs. Sathi A. Menon Woman Director (from 25.09.2014)	Non-Executive Independent	Nil	7	Not applicable	—	—	—	—
12	Mr. Paul John, Director (From 12.02.2015)	Non-Executive Independent	4,400	2	Not applicable	—	—	—	—

* For the above, only Directorships in Public Limited Companies are taken into consideration.

During the year 2014-2015, the Board met 13 times on the follows dates:

Sl. No.	Date	Sl. No.	Date	Sl. No.	Date	Sl. No.	Date
1	30 th April, 2014	4	24 th July, 2014	7	6 th October, 2014	10	8 th January, 2015
2	29 th May, 2014	5	12 th August, 2014	8	12 th November, 2014	11	12 th February, 2015
3	30 th June, 2014	6	16 th September, 2014	9	5 th December, 2014	12	10 th March, 2015
						13	25 th March, 2015

3. Audit Committee

Audit Committee is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and is empowered as per the requirements of the said provisions. The Audit Committee is formed with four members out of which three are independent non-executive Directors. Mrs. Sathi A. Menon, Non-executive Independent woman Director, who is a practicing chartered accountant in Thrissur, is now nominated by the Board as the Chairperson to the Audit Committee. The other two independent directors, who are members in the Audit Committee, are Dr. Jose Paul Thaliyath and Mr. Paul John. Dr. K.C. Vijayaraghavan, a non-executive director, also is a member of the Audit Committee.

The broad terms of reference for the Audit Committee are as follows:

- recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- review and monitor the auditor's independence and performance, and effectiveness of audit process
- examination of the financial statements and the auditor's report thereon
- approval or any subsequent modification of transactions of the Company with related parties
- scrutiny of inter-corporate loans and investments
- valuation of undertakings or assets of the Company, wherever it is necessary
- evaluation of internal financial controls and risk management systems
- monitoring the end use of funds raised through public offers and related matters
- overseeing of the Company's financial reporting process and disclosure of its financial information
- reviewing the annual financial statements before submission to the Board
- review of adequacy of internal control systems and internal audit systems of the Company
- approval of appointment of Chief Financial Officer, after assessing his qualifications, experience and background, etc.

The Audit Committee had met four times in the year 2014-15 and the attendance of each member of the Committee was as follows:

Date of Meeting	Mr. K.P. John (upto 08.01.2015)	Dr. Jose Paul Thaliyath	Mrs. Sathi A. Menon (w.e.f. 06.10.2014)	Dr. K.C. Vijayaraghavan	Mr. Paul John (W.e.f. 10.03.2015)
26/05/2014	Present	Present	Not applicable	Present	Not applicable
11/08/2014	Present	Present	Not applicable	Present	Not applicable
10/11/2014	—	Present	Present	Present	Not applicable
10/02/2015	Not applicable	Present	Present	Present	Not applicable

The Board has accepted all the recommendations of the Audit Committee. The disclosures made herein shall be treated as disclosures required to be made under sub-section (8) of Section 177 of the Companies Act, 2013.

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee is constituted as per the provisions of Section 178 of the Companies Act, 2013 and as per Clause 49 of the listing agreement. The Committee has four members, out of which three are independent directors. Mr. Joseph Xavier, Mrs. Sathi A. Menon, Mr. Paul John and Mr. P.D. Anto are currently the members of the Committee. Mr. Joseph Xavier is nominated by the Board as the Chairman of the Committee.

The Nomination and Remuneration Committee met three times in the year 2014-15 and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. K.P. John (up to 08.01.2015)	Mr. Joseph Xavier (w.e.f. 06.10.2014)	Dr. Jose Paul Thaliyath (up to 06.10.2014)	Mrs. Sathi A. Menon (w.e.f. 06.10.2014)	Mr. P.D. Anto	Mr. Paul John (w.e.f. 10.03.2015)
24/07/2014	Present	Not applicable	Present	Not applicable	Present	Not applicable
29/01/2015	Not applicable	Present	Present	Present	—	Not applicable
21/03/2015	Not applicable	Present	Not applicable	Present	Present	Present

The broad terms of reference for the Remuneration Committee are the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Nomination and Remuneration Policy and the Performance Evaluation Policy of the Company are given separately which forms part of Board's Report. Disclosures included herein may be considered as compliance under Section 178 of the Companies Act, 2013.

The non-executive directors are paid sitting fees for meetings of the Board or any Committees thereof attended by them. The details of remuneration to the Directors for the year 2014-15 are as follows:

Sl. No.	Name	Designation	Salary and allowances ₹ in lakhs	Other Benefits ₹ in lakhs	Professional Fee ₹ in lakhs	Sitting Fee ₹ in lakhs	Total ₹ in lakhs
1	Mr. M.C. Paul	Managing Director	40.33	4.98	—	—	45.31
2	Mr. P.K. Varghese	Executive Director	15.32	0.98	—	—	16.30
3	Mr. A.P. George	Director & Legal Advisor	—	—	2.40	2.53	4.93
4	Mr. K.P. John	Director	—	—	—	0.91	0.91
5	Dr. Jose Paul Thaliyath	Director & Chairman	—	—	—	1.45	1.45
6	Mr. P.D. Anto	Director	—	—	—	2.28	2.28
7	Dr. K.C. Vijayaraghavan	Director	—	—	—	1.31	1.31
8	Mr. John Francis K.	Director	—	—	—	1.31	1.31
9	Mr. T.R. Ragulal	Director	—	—	—	0.24	0.24
10	Mr. Joseph Xavier	Director	—	—	—	1.36	1.36
11	Mrs. Sathi A. Menon	Director	—	—	—	0.92	0.92
12	Mr. Paul John	Director	—	—	—	0.30	0.30

No stock options are granted to any one of the Directors of the Company.

5. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee constituted as per Clause 49 of the Listing Agreement is having Mr. A.P. George as Chairman and Mr. P.D. Anto, Mr. John Francis K. and Mr. T. R. Ragulal as other members of the Committee. All the Directors who are members of this Committee are non-executive. Mr. R. Sankaranarayanan, Chief Financial Officer and Company Secretary has been designated as the Compliance Officer. During the year 2014-15, One complaint was received from shareholders and the complaint received was redressed. No complaint/query was pending reply and no share transfer was pending for registration. The Stakeholders' Relationship Committee had met four times in the year 2014-15 and it was attended as follows:

Date of Meeting	Members				
	Mr. A.P. George	Mr. P.D. Anto	Mr. T.R. Ragulal	Mr. John Francis K.	Mr. Joseph Xavier
29/05/2014	Present	Present	—	Present	Present
12/08/2014	Present	Present	—	Present	Present
12/11/2014	Present	Present	—	Present	Not applicable
12/02/2015	Present	Present	—	Present	Not applicable

6. General Body Meetings

The location and time where last three Annual General Meetings were held are given below:

Name of Meeting	Date	Time	Venue
48 th Annual General Meeting	31 st July, 2012	3.00 p.m.	KSE Limited, Registered Office, Solvent Road, Irinjalakuda - 680121, Thrissur District KERALA.
49 th Annual General Meeting	31 st July, 2013	3.00 p.m.	
50 th Annual General Meeting	25 th September, 2014	3.00 p.m.	

The details of special resolutions passed in the above Annual General Meetings are as follows:

Meeting	Special Resolutions passed in the Annual General Meetings
48 th AGM	1. Reappointment and remuneration of Mr. P.K. Varghese as Executive Director of the Company 2. Reappointment and fixation of professional fee of Mr. A.P. George as Director and Legal Advisor of the Company
49 th AGM	1. Enhancement of remuneration of Mr. M.C. Paul as Managing Director of the Company 2. Enhancement of remuneration of Mr. P.K. Varghese, Executive Director 3. Enhancement of professional fee of Mr. A.P. George, Director and Legal Advisor of the Company
50 th AGM	1. Approval for acceptance of deposits from public/members pursuant to Section 73 and 76 of the Companies Act, 2013 and Rules made thereunder 2. Approval of borrowing limits in excess of aggregate of paid up share capital and free reserves of the Company pursuant to Section 180 (1) (c) of the Companies Act, 2013 3. Consent of the Company to create charge on the assets of the Company pursuant to Section 180(1) (a) of the Companies Act, 2013 4. Reappointment of Mr. M.C. Paul as Managing Director for a period of three years and fixing his remuneration. 5. Amendment to Articles of Association to bring it in line with the provisions of the Companies Act, 2013

For the 50th Annual General Meeting, in terms of Clause 35B of the Listing Agreement, in addition to the facility of e-voting, facility of Physical ballot by post also was provided for all resolutions passed in the meeting. The voting pattern of the said meeting is provided in the Companies web-site "www.kselimited.com" under investor relations.

In the 51st Annual General Meeting also, in terms of Clause 35B of the Listing Agreement, in addition to the facility of e-voting, facility of Physical ballot by post also will be provided for all resolutions to be passed in the meeting. The procedure for e-voting and physical ballot by post has been given in detail in the notes forming part of Notice to the 51st Annual General Meeting attached to the Annual Report for the year 2014-15.

7. Disclosures

- i) **Related party transactions:** There is no materially significant related party transaction that may have potential conflict with the interests of company at large. The transactions of purchase of raw materials, mainly coconut oil cake and cattle feed ingredients from concerns in which few executive and non-executive directors/relatives of directors have interest, and sale of products of the company, to concerns appointed as distributors of the Company in which certain Directors/relatives of Directors have interest, have been made at prices which are reasonable having regard to quality and prevailing market prices for such materials or the prices at which transactions of similar goods or services have been made with other parties. All the transactions covered under related party transactions were fair, transparent and at arms length. The Company has established Related Party Transactions Policy and Procedures as approved by the Board in its meeting held on 12th August, 2014, which is placed in the website of the Company “www.kselimited.com” under investor relations. The Register of Contracts containing transactions in which Directors are interested, is regularly placed before the Board. Full disclosure of related party transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given under Note No. 29.9 of Notes to the Annual Accounts.
- ii) **Disclosure of Accounting Treatment:** In the preparation of financial statements, the accounting standards as specified in Rule 7 of the Companies (Accounts) Rules, 2014 are complied with, and the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- iii) **Details of Non-compliance:** No penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any authority on any matter related to capital markets during the last three years.
- iv) **Whistle Blower Policy:** In terms of Sub-sections (9) and (10) of Section 177 of the Companies Act, 2013 and in terms of clause 49 of the Listing Agreement, the Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. The Mechanism provides for adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Board has approved the Whistle Blower Policy and Vigil Mechanism of the Company in its meeting held on 12th February, 2015. The same is posted in the Company’s website “www.kselimited.com” under “Investor Relations”. The disclosures made herein shall be treated as disclosures required to be made under Section 177 of the Companies Act, 2013.
- v) **Compliance of mandatory and non-mandatory requirements:** The Company has implemented all mandatory requirements specified under Clause 49 of the Listing Agreement. The Company has complied with the non-mandatory requirement as regards unqualified financial statements and separate post of Chairman and Managing Director. Also all the internal audit reports are placed before and considered by the Audit Committee. The Company has not complied with the other non-mandatory requirements.

8. Code of Conduct

Originally the Board approved the Code of Conduct applicable to the Board Members and the Senior Management Personnel of the Company at its meeting held on 29.12.2005. The said Code was subsequently revised to incorporate the role and duties of Independent Directors as provided in the Companies Act, 2013 and the revised code of conduct was approved by the Board in its meeting held on 12th August, 2014. The revised code has been posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code and a declaration to this effect signed by the Managing Director is annexed to this Report.

9. Means of Communication

Regularly the Company is publishing quarterly/half yearly/nine months unaudited results and audited annual financial results and notices in ‘Business Line’ English daily and ‘Mathrubhumi’ Malayalam daily. The Company has posted the quarterly/half yearly/nine months unaudited results and audited annual financial results in the Company’s website www.kselimited.com.

All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto in the respective financial year.

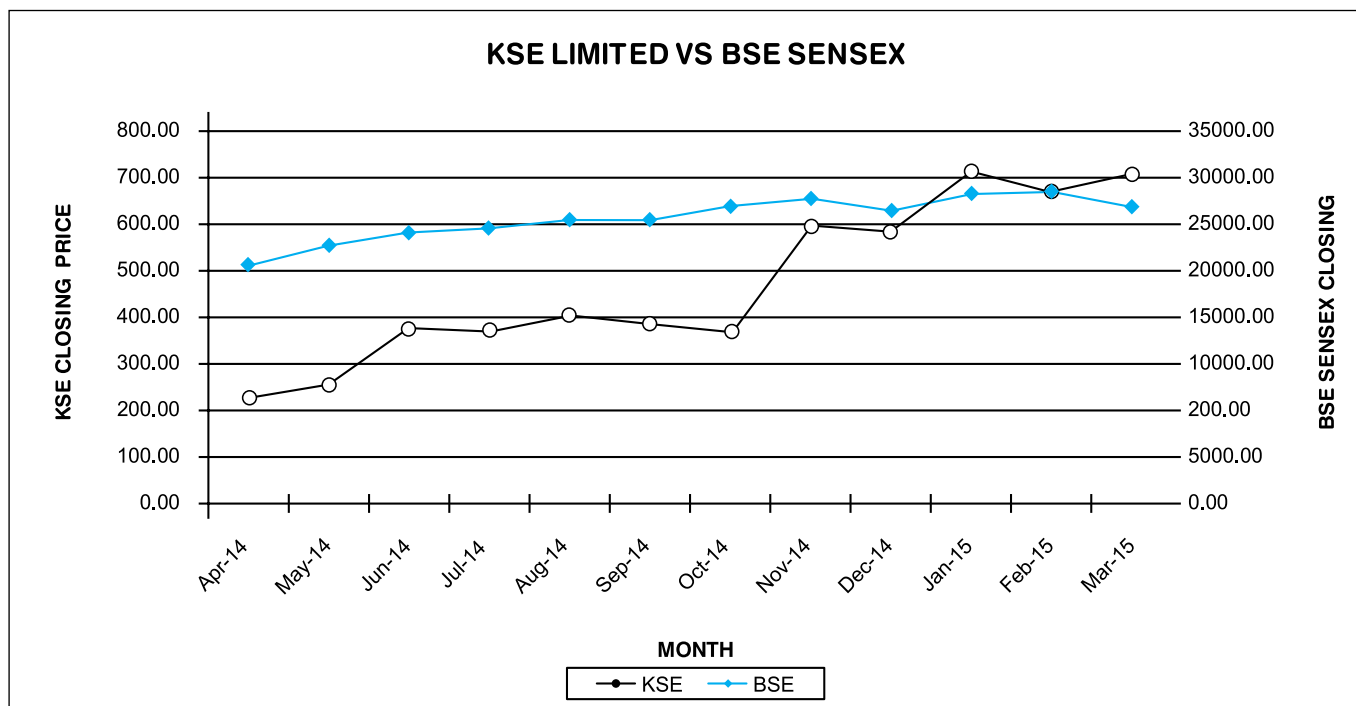
Your Company provides necessary information to the Stock Exchange in terms of the Listing Agreement and other rules and regulations issued by the Securities Exchange Board of India.

10. General Shareholder Information

- i) AGM - Date, time and venue
 Saturday, 19th September, 2015 at 3.00 p.m.
 KSE Limited, Registered Office,
 Solvent Road, Irinjalakuda - 680 121.
- ii) Financial Year
 1st April 2015 to 31st March 2016
 Unaudited Results for First Quarter
 On or before 14th August, 2015
 Unaudited Results for Second Quarter
 On or before 14th November, 2015
 Unaudited Results for Third Quarter
 On or before 14th February, 2016
 Audited Results for year ending 31st March 2016
 On or before 30th May, 2016
- iii) Book Closure Date
 1st September, 2015 to 19th September, 2015 (both days inclusive)
- iv) Dividend Payment Date
 First interim dividend of ₹ 10 was paid in February, 2015 followed by a second interim dividend of ₹ 20 per equity share in March, 2015. A final dividend of ₹ 20 per equity share of ₹ 10 each has been recommended by the Board of Directors at its meeting held on 30th May, 2015 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be paid/dispatched on or after 19th September, 2015 as follows:
1. in respect of the shares in physical form, to those Members, whose names appear in the Register of Members as on 19th September, 2015, after giving effect to all valid share transfers in physical form lodged on or before 31st August, 2015.
 2. in respect of shares held in electronic form, to those members whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of 31st August, 2015.
- v) Listing on Stock Exchanges
 The Company's shares are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The regional stock exchanges of Cochin and Madras, wherein the shares of the Company were listed had stopped their operations. Shortly steps will be taken to list the shares of the Company in National Stock Exchange (NSE).
- vi) Stock Code
 BSE Limited 519421
- Vii) Market Price Data
 The monthly high and low prices and monthly volumes of the Company's shares at BSE for the year ended 31st March, 2015 are given below:

Month	High (₹)	Low (₹)	Volume (nos.)
April, 2014	239.95	221.05	2,952
May, 2014	255.75	209.25	4,427
June, 2014	375.60	268.50	20,522
July, 2014	399.00	340.50	11,441
August, 2014	412.00	360.10	14,273
September, 2014	440.00	361.00	11,460
October, 2014	402.00	351.50	3,551
November, 2014	611.85	375.00	14,165
December, 2014	620.00	541.00	9,779
January, 2015	722.30	544.95	11,775
February, 2015	730.00	544.65	59,735
March, 2015	730.00	651.00	27,618

viii) The Chart below shows the performance of your Company's share price in comparison with BSE Sensex during the financial year 2014-15 based on month end closing:



ix) Registrars and Share Transfer Agents
(both for physical and demat segment)

M/s. S.K.D.C. Consultants Limited
 Kanapathy Towers, 3rd Floor,
 1391/A-1, Sathy Road,
 Ganapathy, Coimbatore - 641 006.
 Telephone : 0422 6549995, 2539835-836 Fax : 0422 2539837
 E Mail : info@skdc-consultants.com

x) Share Transfer System

The Company's shares are under compulsory demat list and are transferable through Depository System. Both demat and physical share transfers are handled by M/s. S.K.D.C. Consultants Limited, Coimbatore. Members holding share certificates in physical form can transfer their shareholding by sending the share certificates, with a valid, duly executed and stamped transfer deed signed by the transferor and transferee and copy of PAN Card of transferee to the Registrars and Share Transfer Agents in the above address.

xi) Shareholding Pattern

Category	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters' Holding				
Indian Promoters	10,23,364	31.98	10,46,610	32.71
Sub-total	10,23,364	31.98	10,46,610	32.71
Non-promoters' Holding				
Banks	—	—	—	—
Private Corporate Bodies	6,03,950	18.87	6,02,637	18.83
Indian Public	15,54,163	48.57	15,35,972	48.00
NRI/OCBs	18,523	0.58	14,781	0.46
Sub-total	21,76,636	68.02	21,53,390	67.29
Grand Total	32,00,000	100.00	32,00,000	100.00

xii) Distribution of share holding

No. of shares held	As at 31 st March, 2015				As at 31 st March, 2014			
	No. of Folios	%	No. of Shares	%	No. of Folios	%	No. of Shares	%
1 to 500	4,258	86.97	5,19,613	16.24	3,793	85.95	5,07,782	15.87
501 to 1000	226	4.62	1,75,402	5.48	215	4.87	1,66,470	5.20
1001 to 5000	316	6.44	6,78,660	21.21	304	6.89	6,45,459	20.17
5001 to 10000	37	0.76	2,46,531	7.70	41	0.93	2,73,818	8.56
10001 and above	59	1.21	15,79,794	49.37	60	1.36	16,06,471	50.20
Total	4,896	100.00	32,00,000	100.00	4,413	100.00	32,00,000	100.00

xiii) Dematerialisation of shares and liquidity

The Company has signed agreements for demat of shares of the Company with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN number of the Company is INE953E01014. The details of Shares demated as on 31.03.2015 are the following:

DEPOSITORY	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares	%	No. of Shares	%
NSDL	17,22,211	53.82	16,84,084	52.63
CDSL	4,81,516	15.05	4,36,143	13.63
Total Demat	22,03,727	68.87	21,20,227	66.26

xiv) Plant Location

The location of various plants of the Company along with address and phone numbers are provided in the outside back cover of the Annual Report.

xv) Address for correspondence

Chief Financial Officer and Company Secretary
KSE Limited
CIN L15331KL1963PLC002028
Irinjalakuda - 680 121, Kerala.

By Order of the Board

Sd/-

Dr. Jose Paul Thaliyath
(DIN : 01773031)
Chairman

Irinjalakuda
May 30, 2015

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As per the affirmations received from the Board Members and the Senior Management Personnel of the Company, it is declared that the Board Members and Senior Management Personnel of the Company have complied with the Revised Code of Conduct approved by the Board in its Meeting held on 12.08.2014.

By Order of the Board

Sd/-

M.C. Paul
(DIN : 00105776)
Managing Director

Irinjalakuda
May 30, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

The financial year 2014-15 was a favourable year for the Company. In the Animal feed division, the ingredient prices for animal feed were more or less steady through out the year, as the supply was normal and matched our requirements. There was no abnormal change in the ingredient prices, which helped to maintain the balance between the ingredient prices and the selling prices of feed during the year. Your Company could also maintain the selling rates of feed steady and this partly helped us to increase the sales volume. Since the margin was good on the sale of animal feed, we could generate steady revenue through out the year. Prudent purchase policy, fine-tuning of selling price, trimming of overheads, etc. helped us to generate more profit.

In the Oil cake processing division, the price of coconut oil during 2014-15 was always above ₹ 120/kg. and for a few months it was hovering between ₹ 145/kg. and ₹ 150/kg. At the same time, we could import sizable quantity of copra cake at competitive rates. The local arrival of copra cake was also good, and this helped us to retain the local price of copra cake at reasonable levels. All these favourable factors helped the segment to post excellent results.

In Dairy division the sales volume of ice cream was 1088 kl. close to the previous year volume of 1125 kl. In the previous year we could improve the volume by 17% and we could nearly maintain the volume of the previous year. We are taking steps to improve the sales volume of ice cream and thus improve the capacity utilisation. We were also enjoying the advantage of difference in milk procurement price in Kerala and Tamil Nadu since our main market for milk is in Kerala. In July 2014 there was an upward revision in the milk prices in Kerala by ₹ 3 a litre. The procurement price of milk in Tamil Nadu went up during the year 2014-15. Thus the advantage of the spread between the procurement price of milk in Tamil Nadu and the sales realisation thereof in Kerala became very thin and the profitability of the Dairy division as a whole was affected. In year 2015-16 the situation has changed, as there is fall in the procurement rate of milk, and this is expected to improve the profitability of Dairy Division. It is imminent that the selling rate of milk has to be increased, to absorb the increased cost of production.

2. Opportunities and Threats

The advantages to your Company in cattle feed and cake processing industry are (1) its vast experience in those industries for over 42 years (2) its leadership in the market (3) acceptability of the feed and its quality standards in the market (4) prompt after-sales service and good customer relation (5) a lot of prestigious awards and recognitions to prove consistent quality and leadership (6) good network of dealership (7) talented technical and marketing personnel (8) judicious purchase of materials and (9) financial strength of the Company leading to better purchasing power and helping to build up stock on favourable situations. The threats to the Company in these two segments are (1) competition from other manufacturers of organised and unorganised sectors, mostly of recent origin with lower overhead as regards labour (2) probable entry of multinational entities (3) upward revision of fuel price leading to increase in the price of ingredients manifold (4) the volatile rupee Vs. dollar situation acts as a non-stimulant in import transactions (5) granting of subsidy by the Government on animal feed selectively avoiding private manufacturers (6) indirect control by Government over price of milk acts as a blockade, at times, in passing off of cost escalation to the consumers (7) switching of crop by farmers from oil seeds and grains, required by us as ingredients, to other crops (8) severe shortage in availability of manual local labour leads to increase the cost of labour as these two segments are highly labour oriented and (9) import of cheaper oils for industrial consumption leading to fall in demand for solvent extracted coconut oil. Your Company is tackling these issues appropriately, by taking timely actions.

The advantages to your Company in Dairy segment are (1) reputation and brand image of the Company for the quality of its products and (2) financial strength of the Company helping to withstand the unhealthy market competitions. The threats to the industry are (1) unhealthy competition from small players dealing with inferior quality products and (2) entry of big players including multinational corporations in the segment catered by your Company (3) Any steps by the Government to further increase Excise duty/VAT on ice cream will take away the margin on sale of ice cream.

3. Segmentwise Productwise Performance

Disease among cattle in the State of Kerala and Tamil Nadu during the second half of 2013-14 reduced the aggregate market demand of feed considerably and the volume growth of feed was very nominal in that year. In year 2014-15 however, **we could improve the volume of sale from 4.01 lakhs tons to 4.40 lakhs tons.** Due to stable ingredient cost, the margin for the reporting year was good. The Animal Feed Segment reported a profit of ₹ 2580.57 lakhs for the year 2014-15 compared to a profit of ₹ 1701.50 lakhs in the preceding year.

In the Oil cake processing division, the processing volume improved from 64,000 tonnes in the previous year to 68,500 tonnes in the financial year 2014-15. We could import sizable quantity of copra cake during the year under report at very reasonable cost. The local supply was also very good and the price thereto was steady and normal. The price of coconut oil also was above ₹ 120.00/kg. throughout the year and was more or less steady. Thus this Segment had generated a profit of ₹ 2956.03 lakhs compared to a profit of ₹ 784.44 lakhs in the previous year. For the year 2015-16 we have already taken steps to import sufficient quantity of copra cake to ensure regular production.

Dairy division reported a profit of ₹ 19.98 lakhs compared to ₹ 159.69 lakhs in the previous year. The volume of sale of ice cream was maintained at the same level as that of previous year at 1088 kl. compared to 1125 kl. in the previous year. The margin on sale of milk has reduced as explained earlier and that was the reason for the fall in the profits of Dairy division. We are giving utmost attention for improving the utilisation of capacities in Thalayuthu and Vedagiri ice cream units.

4. Outlook

The first two months of year 2015-16 witnessed a trend of gradual increase in the ingredient prices. We are closely monitoring the trend in ingredient prices, and if the indications are for a permanent increase, then the selling price of feed will be increased proportionately. The year 2014-15 was a bumper year since all the business conditions were favourable to your Company. With the available information on hand, it is reasonably expected that the Animal feed division and the Oil cake processing division will perform satisfactorily in year 2015-16 but there is every chance that the performance will be a little below than that of year 2014-15 where in all most all the factors were favourable throughout the year. We have added capacities to meet the increased demand. As there is chance for the Government of Kerala and Tamil Nadu to increase the price of milk, which will further help to boost the cattle rearing, we expect an increased demand for cattle feed in 2015-16. Local copra cake is available in sufficient quantity at reasonable price. We are also importing copra cake which is cheaper than that locally available. It is expected that the quantity of processing of copra cake will improve further as the availability is good. The Dairy division is expected to perform better in the year 2015-16. The margin on milk is improving. We are taking all efforts to improve the volume of sale of ice cream in Thalayuthu and Vedagiri ice cream units. Once we are able to improve the volume, the Dairy division will generate higher revenue.

5. Risks and Concerns

As regards Animal feed, we are mainly depending on materials from northern States moved by rail. Due to the decontrol of diesel price, railway freight may go up further. Off late, the price of all major ingredients show a tendency to increase, and margin may be affected. We are making suitable adjustment in the selling price of animal feed, in tune with raw material price. At present, there is good demand for animal feed, both in Kerala and Tamil Nadu. In Tamil Nadu, production of skim milk powder has been reduced considerably, due to fall in international price by half. Hence the demand for milk in that State may be affected seriously. As a result of paucity of demand for milk, the procurement price of milk will be reduced. This may in turn slightly affect our feed sales in Tamil Nadu, as cattle farming will become uneconomical for the time-being to the farmers in that State.

At present the price of coconut oil is around ₹ 130/kg. now and is expected to further firm up in the coming days. As a result, the Oil cake processing will be profitable. We have arranged to import Copra cake at competitive rates. We are hopeful of maintaining the profitability of Oil cake processing division in 2015-16. The Dairy division is also expected to perform well by increased volume of ice cream sales with improved margin. No risks or concerns are perceived by the management, other than those already discussed above.

6. Internal Control Systems and their adequacy

There are adequate internal control systems in vogue in all spheres of operations of the Company so as to ensure safety to its assets against loss. These internal controls are designed in such a way to ensure adequate accounting and financial controls. The internal control system is being continuously reviewed by the management and adequate steps are taken for improvement, wherever felt. Internal audits are being carried out regularly in all the Units. The internal audit reports and the corrective actions taken for the shortcomings reported in those reports, if any, are being discussed in the meetings of the Audit Committee.

7. Financial and Operational Performance

The total turnover during the year under review improved by 11.50 % compared to immediately preceding year. The increase in turnover has been mainly contributed by the increase in the selling rate of cattle feed, de-oiled coconut cake and coconut oil. The sale of cattle feed, in quantity terms, improved by 9.50 % compared to previous year. The after tax profits of the Company is ₹ 4,363.41 lakhs as against ₹ 1,537.36 lakhs in the previous year. The after tax profit of ₹ 4,363.41 lakhs for the year 2014-15 includes profit on sales of landed properties at Mysore of ₹ 1,045.71 lakhs.

The animal feed division generated a profit of ₹ 2580.57 lakhs compared to previous year figure of ₹ 1,701.50 lakhs. The rate of coconut oil was above ₹ 120 /kg. which went upto ₹ 150/kg. for few months during the year 2014-15. Though the price of coconut oil cake maintained at the increased levels, due to the higher realisation for the oil extracted by us, the Oil cake processing division could make a profit of ₹ 2,956.03 lakhs as against a profit of ₹ 784.44 lakhs in the previous year. The volume of sales of ice cream was 1088 kl. compared to 1125 kl. in the previous year. Mainly due to the erosion of margin for milk, the profit of Dairy division had a steep fall at ₹ 19.98 lakhs compared to previous year figures of ₹ 159.69 lakhs. We are taking all efforts to improve the production and sale volume of ice cream.

8. Industrial Relation

The Company has 896 employees on its rolls as on 31.3.2015. The Company is an exception to the adverse labour conditions existing in Kerala. There were no serious labour issues, in any of the Units of the Company during the year 2014-15. The long term settlements for a period of three years have been signed with the employees of Koratty and Palakkad Units effective from 1st January, 2014 and from 1st August, 2013 respectively. Further, the long term settlements with the employees of Swaminathapuram and Vedagiri units expired during the year. The long term settlement for a period of three years from 1st May, 2014 has been signed with the representatives of employees of Swaminathapuram Unit. The discussion with the representatives of the employees of Vedagiri Unit is in progress, which is expected to be completed shortly. The management continues to maintain cordial industrial relation with its employees in all Units and is attending to their grievances with an open mind.

9. Caution

The views and statements expressed or implied in the Management Discussion and Analysis are based on the current available information, experience and our own judgement. There could be possibilities for alteration of situations. The Company's actual performance may differ as a result of unforeseen events on which the management has no direct control.

Irinjalakuda
 May 30, 2015

By Order of the Board

Sd/-
Dr. Jose Paul Thaliyath
 (DIN : 01773031)
 Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
 The Members of KSE Limited
 Irinjalakuda

We have examined the compliance of conditions of Corporate Governance by KSE Limited for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is primarily the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

Based on the report given by the Company's Registrar and Share Transfer Agents, we state that no investors' grievance matter is pending for a period exceeding one month, against the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Thrissur
 May 30, 2015

For **VARMA & VARMA**
 (Firm No. 004532 S)
 Sd/-
(C. Pankajakshan, M. No. 12948)
 Partner
 Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To

The Members of KSE Limited
 Irinjalakuda

Report on the Financial Statements

We have audited the accompanying financial statements of KSE Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information contained in the notes to accounts.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with the accounting policies and other notes attached thereto, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- a. We have sought and 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 it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29.3 and 29.4 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Thrissur
 May 30, 2015

For **VARMA & VARMA**
 (Firm No. 004532 S)
 Sd/-
(C. Pankajakshan, M. No. 12948)
 Partner
 Chartered Accountants

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE

1. In respect of fixed assets -
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) We are informed that most of the fixed assets of the Company have been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets and that no material discrepancy has been noticed on such verification.
2. In respect of inventories -
 - (a) We are informed that the inventory has been physically verified by the management at the year end, which, in our opinion, is reasonable having regard to the size of the company and the nature of its business.
 - (b) In our opinion and according to the explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory, and as informed to us, discrepancies of material nature were not noticed on physical verification by the management.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company, being primarily a manufacturing Company, is not rendering any services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
5. In respect of deposits accepted by the Company from the public, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, wherever applicable, have been complied with.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. In respect of statutory dues -
 - (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, except for certain minor delays in remittance of undisputed Income tax deducted at source, the Company has been generally regular in depositing undisputed provident fund and employees' state insurance dues, sales tax, value added tax, wealth tax, service tax, income tax, customs duty, excise duty, cess and other statutory dues during the year. There are no arrears of undisputed statutory dues of material nature outstanding for a period of more than six months from the date on which they became payable.
 - (b) According to the information and explanations given to us and as per the records of the Company examined by us, the following disputed amount of statutory dues have not been deposited with the relevant authorities as at 31st March 2015 as per details given below:

Name of the statute	Nature of the dues	Amount ₹ in lakhs	Period to which the amount relates	Forum where dispute is pending
KGST Act, 1963	Sales tax	25.40	F.Y. 2000-01	Asst. Commissioner (Assessment)
Customs Act, 1962	Customs duty	45.07	F.Y. 2008-09	CESTAT, Bangalore
Customs Act, 1962	Customs duty	1.98	F.Y. 2009-10	CESTAT, Bangalore

- (c) According to the information and explanations given to us and as per the records of the Company examined by us, the amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
8. There are no accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year and in the immediately preceding financial year.
9. According to the information and explanations given to us and as per the records of the Company verified by us, the Company has not defaulted in repayment of dues to banks.
10. According to the information and explanations given to us and as per the records of the Company verified by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. The Company has not availed any term loans during the year.
12. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have been informed of such case by the Management.

For **VARMA & VARMA**

(Firm No. 004532 S)

Sd/-

(**C. Pankajakshan**, M. No. 12948)

Partner

Chartered Accountants

BALANCE SHEET AS AT 31ST MARCH 2015

	Note No.	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
I EQUITY AND LIABILITIES					
1. Shareholders' funds					
a) Share Capital	2	320.00		320.00	
b) Reserves and Surplus	3	6,861.07	7,181.07	4,538.09	4,858.09
2. Non-current liabilities					
a) Long-term borrowings	4	528.48		649.25	
b) Deferred tax liability (Net)	5	—		155.32	
c) Long-term provisions	6	54.58	583.06	39.75	844.32
3. Current liabilities					
a) Short-term borrowings	7	831.60		728.90	
b) Trade payables	8	1,633.16		865.64	
c) Other current liabilities	9	2,550.05		1,475.54	
d) Short-term provisions	10	1,023.60	6,038.41	777.80	3,847.88
TOTAL			13,802.54		9,550.29
II ASSETS					
1. Non-current assets					
a) Fixed Assets					
i) Tangible assets	11	2,718.54		3,597.32	
ii) Intangible assets	12	15.66		29.64	
iii) Capital work-in-progress	13	11.11	2,745.31	26.72	3,653.68
b) Non-current Investments	14		2.50		7.50
c) Deferred tax asset	5		24.82		—
d) Long-term loans and advances	15		112.37		94.80
2. Current assets					
a) Inventories	16	6,600.66		4,969.90	
b) Trade receivables	17	28.71		16.99	
c) Cash and cash equivalents	18	3,777.75		314.41	
d) Short-term loans and advances	19	496.29		483.94	
e) Other current assets	20	14.13	10,917.54	9.07	5,794.31
TOTAL			13,802.54		9,550.29
Significant accounting policies	1				
Additional Information	29				

The accompanying notes are an integral part of the financial statements

Jose Paul Thaliyath
Chairman (DIN : 01773031) Sd/-

M.C. Paul
Managing Director (DIN : 00105776) Sd/-

As per our report of
even date attached
For **VARMA & VARMA**
(Firm No. 004532 S)

R. Sankaranarayanan
Chief Financial Officer
and Company Secretary Sd/-

P.K. Varghese
Executive Director (DIN : 00106697) Sd/-

A.P. George, Director & Legal Advisor
(DIN : 00106808) Sd/-

Sd/-
C. Pankajakshan
(M. No. 12948)
Partner
Chartered Accountants

May 30, 2015

P.D. Anto
Director (DIN : 00106965) Sd/-

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Note No.	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
REVENUE			
Revenue from operations			
Sale of products		89,998.16	80,657.52
Less : Excise duty		28.11 89,970.05	27.19 80,630.33
Other income	21	163.11	89.78
Total Revenue		90,133.16	80,720.11
EXPENSES			
Cost of Materials consumed	22	74,076.96	69,180.24
Changes in inventories of finished goods	23	(57.69)	(58.61)
Employee benefits expense	24	3,383.04	2,857.88
Finance costs	25	194.49	236.66
Depreciation and amortisation expense	26	636.19	375.77
Other expenses	27	6,556.95	5,784.30
Total expenses		84,789.94	78,376.24
Profit before exceptional and extraordinary items and tax		5,343.22	2,343.87
Exceptional item - See Note 29.5		1,045.71	—
Profit before extraordinary items and tax		6,388.93	2,343.87
Extraordinary items		—	—
Profit before tax		6,388.93	2,343.87
Tax Expenses			
Current tax		2,150.00	830.00
Relating to earlier years (net)		(5.19)	(8.52)
Deferred tax (net)		(119.29) 2,025.52	(14.97) 806.51
Profit for the year		4,363.41	1,537.36
Basic and diluted earnings per equity share (₹)	28	136.36	48.04
Nominal value per equity share (₹)		10.00	10.00
Significant accounting policies	1		
Additional Information	29		

The accompanying notes are an integral part of the financial statements

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R. Sankaranarayanan
Chief Financial Officer
and Company Secretary Sd/-

May 30, 2015

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As per our report of
even date attached
For **VARMA & VARMA**
(Firm No. 004532 S)

Sd/-
C. Pankajakshan
(M. No. 12948)
Partner
Chartered Accountants

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	6,388.93	2,343.87
Adjustments for:		
Depreciation and amortisation	636.19	375.77
Finance costs	194.49	236.66
Interest income from banks	(13.62)	(5.55)
Provision for diminution in value of non-current investment	5.00	
Dividend income	(71.38)	(5.32)
Exceptional item - profit on sale of land	(1,045.71)	
Loss on sale of fixed assets	3.62	597.71
Operating profit before working capital changes	6,097.52	2,941.58
Adjustments for:		
Inventories	(1,630.76)	(232.75)
Trade receivables, loans & advances and other current assets	(39.39)	(138.95)
Trade payables, other current liabilities and provisions	1,095.80	211.46
Cash generated from operations	5,523.17	2,781.34
Income-tax paid	1,920.52	839.71
Net cash from operating activities	3,602.65	1,941.63
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(155.99)	(99.91)
Sale of fixed assets	1,291.20	18.76
Purchase of investments	(5,578.77)	(1005.32)
Redemption of investments	5,578.77	1005.32
Interest income from banks	6.31	7.12
Dividend income	71.38	5.32
Net cash from / (used in) investing activities (b)	1,212.90	(68.71)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds /(repayment) of short-term bank borrowings	109.41	(1,207.73)
Repayment of term loan from Banks	—	(141.54)
Acceptance of public deposits	298.10	308.14
Repayment of public deposits	(338.77)	(285.74)
Finance costs	(194.49)	(236.66)
Dividends paid (including dividend distribution tax)	(1,226.46)	(370.76)
Net cash used in financing activities (c)	(1,352.21)	(1,934.29)
D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a) + (b) + (c)	3,463.34	(61.37)
Cash and cash equivalents at the beginning of the year	314.41	375.78
Cash and cash equivalents at the close of the year	3,777.75	314.41
E NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	3,463.34	(61.37)

Note : Cash and cash equivalents include ₹ 714.18 lakhs (Previous year ₹ 39.93 lakhs) under unpaid dividend account with Banks, ₹ 110 lakhs (Previous year ₹ 40 lakhs) under deposit repayment reserve account and ₹ 7.96 lakhs (Previous year ₹ 7.51 lakhs) as margin money deposits against bank guarantees which are not available for immediate use.

Jose Paul Thaliyath
Chairman (DIN : 01773031) Sd/-

M.C. Paul
Managing Director (DIN : 00105776) Sd/-

As per our report of
even date attached
For **VARMA & VARMA**
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(M. No. 12948)
Partner
Chartered Accountants

May 30, 2015

P.D. Anto
Director (DIN : 00106965) Sd/-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

- i) **Basis of Accounting:** The financial statements are prepared under historical cost convention on accrual basis of accounting in conformity with the accounting principles generally accepted in India (Indian GAAP) and are in compliance with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- ii) **Use of Estimates:** The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which the results are known / materialised.
- iii) **Fixed Assets:**
 - (a) Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation / amortisation and impairment in value if any, is adjusted.
 - (b) As at the balance sheet date an assessment is done to determine whether there is any indication of impairment in the carrying amount of fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.
- iv) **Depreciation and amortisation:** Depreciation on fixed assets has been provided on written down value method. The useful lives adopted are as prescribed in Schedule II of the Companies Act, 2013, except for leasehold land which is amortised over the period of lease. Intangible assets are amortised over a period of five years.
- v) **Investments:** Long-term investments are stated at cost less provision for diminution, if any, in the value of such investments, other than that of temporary nature. Current investments are carried at lower of cost or fair value.
- vi) **Inventories:** Inventories as at the close of the year are valued at lower of cost or net realisable value. Cost includes cost of purchases, conversion and other costs, as the case may be, incurred in bringing the inventories to their present location / condition, determined on the following methods:

<ol style="list-style-type: none"> (a) Raw materials (b) Packing materials (c) Stores & spares and consumables: <ol style="list-style-type: none"> i. Furnace Oil, Diesel and Boiler Fuel ii. Others 	<ol style="list-style-type: none"> - First In First Out (FIFO) - First In First Out (FIFO) - First In First Out (FIFO) - At weighted average cost
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- vii) **Foreign Currency Transactions, Forward Contracts and Derivatives:** Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gains / losses arising during the year are adjusted to the Statement of Profit and Loss.

 Premium or discount arising on inception of forward exchange contracts, which are intended to hedge the foreign currency risk of existing assets or liabilities has been amortised as income / expense over the life of the contract and exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

 Exchange gains or losses on derivative instruments entered to hedge risks associated with foreign currency fluctuations and on forward exchange contracts, which are intended to hedge the foreign currency risks of future transactions in respect of which firm commitments are made or which are highly probable forecast transactions are determined by marking such contracts outstanding on Balance Sheet date to market. Exchange loss arising on such instruments / contracts is provided in the accounts, while gains are not recognised in accordance with the Announcement on Accounting for Derivatives issued by the Institute of Chartered Accountants of India.
- viii) **Revenue Recognition:** Sales are recognised on transfer of title of the goods to the customers. Other incomes are recognised on accrual basis except when there are significant uncertainties.
- ix) **Claims:** Claims are accounted for as and when finally determined / settled.
- x) **Grants / Subsidies related to capital assets:** Grants / Subsidies received, specifically related to capital asset, are credited to the carrying cost of the respective asset. Other Grants / Subsidies received are credited to capital reserve.

xi) Employee Benefits
A. Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

B. Post-employment benefits:
(a) Defined contribution plans

Defined contribution plans are Provident Fund Scheme and Employees' State Insurance Scheme administered by the Government for all eligible employees. The Company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

(b) Defined benefit gratuity plan

Payment of gratuity to employees is managed by the KSE Employees Group Gratuity Fund Trust through Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any, and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

Gratuity in respect of whole-time directors is provided for on gross undiscounted basis and charged to Statement of Profit and Loss.

Past service cost is recognised immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested.

C. Other long term employee benefits

The company has a scheme for compensated absences for eligible employees. The company makes contributions to the Scheme of the Life Insurance Corporation of India. The net present value of the obligation for compensated absences as determined on independent actuarial valuation, conducted annually using the projected unit credit method and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

xii) Borrowing Cost: Borrowing costs that are attributable to the acquisition or construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

xiii) Taxes on Income: Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

xiv) Segment Reporting: The Company's primary segments (business segments) have been identified as (a) Animal Feed Division (b) Oil Cake Processing Division and (c) Dairy Division comprising milk and milk products including ice cream. There are no reportable geographical segments. Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable estimate. The expenses, which are not directly attributable to any of the business segment are shown as unallocated expenditure. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocated assets and liabilities respectively. Inter segment transfer of processed materials are accounted considering the estimated realisable value of such goods.

xv) Provisions and Contingencies: Provisions for losses and contingencies arising as a result of a past event where the management considers it probable that a liability may be incurred are made on the basis of the best reliable estimates of the expenditure required to settle the present obligation on the balance sheet date and are not discounted to its present value. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Other contingent liabilities to the extent management is aware is disclosed by way of notes to accounts.

xvi) Earnings per share: Basic / diluted earnings per share is calculated by dividing the net profit / loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares / dilutive potential equity shares outstanding as at the end of the year as the case may be.

2. SHARE CAPITAL

Particulars	Par value each ₹	As at 31.03.2015		As at 31.03.2014	
		Number	₹ in lakhs	Number	₹ in lakhs
Authorised:					
Equity shares	10	99,40,000	994.00	99,40,000	994.00
13.50 % Redeemable cumulative preference shares	100	6,000	6.00	6,000	6.00
		99,46,000	1,000.00	99,46,000	1,000.00
Issued:					
Equity shares	10	32,02,820	320.28	32,02,820	320.28
Subscribed and Paid up:					
Equity shares	10	32,00,000	320.00	32,00,000	320.00
Note 2.1	Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year				
	Outstanding at the beginning of the year	32,00,000	320.00	32,00,000	320.00
	Add : Issued during the year	—	—	—	—
	Outstanding at the end of the year	32,00,000	320.00	32,00,000	320.00

Note 2.2 Terms/rights, Preferences and Restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in the case of interim dividend, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of directors declared two interim dividends of ₹ 10 per share and ₹ 20 per share on equity share of ₹ 10 each at their meetings held on 12th February, 2015 and 25th March, 2015 respectively. Further, the Board of Directors at its meeting held on 30th May, 2015 has recommended a final dividend of ₹ 20 per equity share of ₹ 10 each, subject to approval of shareholders at the ensuing annual general meeting. The total dividend appropriation for the year ended 31st March, 2015 amounts to ₹ 1922.23 lakhs, including dividend distribution tax of ₹ 322.23 lakhs.

In the case of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential claims as provided in the Companies Act, 2013. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 2.3 Details of shareholders holding more than 5 % of the equity shares:

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	% of holding	Number of shares	% of holding
PJD Properties and Investments P. Ltd.	5,45,031	17.03%	5,33,267	16.66%

Note 2.4 There was no fresh issue or buying back of shares in the preceding five years.

Note 2.5 There was neither bonus issue nor any other issue of shares in the preceding five years.

3. RESERVES AND SURPLUS

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Capital Reserve		78.18		78.18
Capital Redemption Reserve		3.00		3.00
Securities Premium Reserve		162.24		162.24
General Reserve				
Balance at the beginning of the year	3,800.00		3,100.00	
Add : Transfer from Surplus	1,700.00	5,500.00	700.00	3,800.00
Gratuity Reserve		154.97		154.97
Surplus				
Balance at the beginning of the year	339.70		251.11	
Add : Profit for the year	4,363.41		1,537.36	
Less : Adjustments relating to fixed assets - See Note 11.1	(118.20)		—	
Less : Transfer to General Reserve	(1,700.00)		(700.00)	
Less : Interim Dividend	(960.00)		—	
Less : Proposed Dividend	(640.00)		(640.00)	
Less : Dividend distribution tax	(322.23)	962.68	(108.77)	339.70
Total		6,861.07		4,538.09

Note 3.1 The Board of directors declared two interim dividends of ₹ 10 per share and ₹ 20 per share on equity share of ₹ 10 each. Further, the Board of Directors has recommended a final dividend of ₹ 20 per equity share of ₹ 10 each.

4. LONG TERM BORROWINGS

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Public Deposits - Unsecured	528.48	649.25

Note 4.1 See Note 9 for current maturities of long-term debt.

Note 4.2 Public Deposits were accepted under the Companies (Acceptance of Deposits) Rules, 2014. Rate of interest and terms of repayment of Public Deposits are as under:

	Rate of Interest	Balance as on 31.03.2015 ₹ in lakhs	Balance as on 31.03.2014 ₹ in lakhs
(a) One year	10.00 % p.a.	—	8.98
(b) One year	9.00 % p.a.	18.82	16.55
(c) Two years	10.00 % p.a.	32.30	33.33
(d) Three years	11.00 % p.a.	872.21	905.14
Total		923.33	964.00

Note 4.3 Public Deposits include deposits accepted from Directors ₹ 1.48 lakhs (Previous year ₹ 3.96 lakhs) on the same terms and conditions as applicable to other depositors.

5. DEFERRED TAX ASSET / (LIABILITY) - NET

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Deferred tax asset / (liability) on account of		
- accumulated depreciation difference	3.29	(177.23)
- Provision for employees' benefits	19.19	13.81
- Others	2.34	8.10
Net deferred tax asset / (liability)	24.82	(155.32)

6. LONG TERM PROVISIONS

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Provision for employee benefits - Gratuity (gross - undiscounted) - See Note 1. xi	54.58	39.75

7. SHORT TERM BORROWINGS

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Loans repayable on demand from Banks - Secured				
- Cash credit	212.78		703.37	
- Short term loan	600.00	812.78	—	703.37
Public Deposits - Unsecured		18.82		25.53
Total		831.60		728.90

Note 7.1 The cash credit and short term loans are secured by (1) First Charge by way of hypothecation of all current assets of the Company and Plant and Machinery of Irinjalakuda and Konikkara Units; and (2) Equitable mortgage of immovable properties of Irinjalakuda and Konikkara Units by deposit of title deeds.

Note 7.2 See Note 4.2 for rate of interest and terms of repayment of public deposits.

8. TRADE PAYABLES

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Micro, Small and Medium Enterprises	—	0.69
Others	1,633.16	864.95
Total	1,633.16	865.64

Note 8.1 The amount due to Micro, Small and Medium Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
(i) Principal amount due and remaining unpaid to any supplier as at the end of each accounting year	—	—
(ii) Interest due on the above and remaining unpaid to any supplier as at the end of each accounting year	—	—
(iii) Interest paid by the company along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	—	—
(v) Interest accrued and remaining unpaid at the end of each accounting year	—	—
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	—	—

9. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Current Maturities of long-term debt		
- Public Deposits - Unsecured	376.03	289.22
Interest accrued but not due on public deposits	120.87	116.30
Unpaid dividend	714.18	39.93
Unpaid matured deposits and interest accrued thereon	0.21	0.23
Security deposits	100.17	98.84
Advance from customers	322.97	224.28
Employee benefits expenses payable	572.52	331.66
Creditors for expenses	247.71	161.41
Advance received against sale of property	—	100.00
Other liabilities	95.39	113.67
Total	2,550.05	1,475.54

Note 9.1 Public Deposits include deposits accepted from Directors ₹ 2.96 lakhs (Previous year ₹ 5.10 lakhs) on the same terms and conditions as applicable to other depositors.

Note 9.2 Interest accrued but not due on public deposits includes ₹ 0.37 lakh (Previous year ₹ 0.30 lakh) due to Directors.

Note 9.3 See Note 4.2 for rate of interest and terms of repayment of public deposits.

Note 9.4 Unpaid dividend includes second interim dividend of ₹ 20 per equity share amounting to ₹ 640 lakhs declared by the Board of Directors on 25th March, 2015 and not distributed as on 31st March, 2015.

10. SHORT TERM PROVISIONS

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Proposed Dividend	640.00	640.00
Dividend distribution tax	130.29	108.77
Taxation (net of advance tax)	253.31	29.03
Total	1,023.60	777.80

11. TANGIBLE ASSETS

₹ in lakhs

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost as at 01.04.2014	Additions	Sales/ Adjustments	Cost as at 31.03.2015	Up to 01.04.2014	For the year	Transitional Adjustment	Sales/ Adjustments	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
Land and Land development	1,046.85 <i>1,046.85</i>	19.54 —	215.81 —	850.58 <i>1,046.85</i>	— —	— —	— —	— —	— —	850.58 <i>1,046.85</i>	1,046.85 <i>1,046.85</i>
Leasehold Land	105.60 <i>105.60</i>	— —	— —	105.60 <i>105.60</i>	11.72 <i>10.52</i>	1.20 <i>1.20</i>	— —	— —	12.92 <i>11.72</i>	92.68 <i>93.88</i>	93.88 <i>95.08</i>
Buildings	2,586.77 <i>2,597.72</i>	22.90 <i>6.17</i>	49.68 <i>17.12</i>	2,559.99 <i>2,586.77</i>	1,279.58 <i>1,209.35</i>	230.54 <i>79.93</i>	140.56 —	21.21 <i>9.70</i>	1,629.47 <i>1,279.58</i>	930.52 <i>1,307.19</i>	1,307.19 <i>1,388.37</i>
Plant and Equipments	3,865.18 <i>3,828.95</i>	91.61 <i>68.19</i>	24.98 <i>31.96</i>	3,931.81 <i>3,865.18</i>	2,843.35 <i>2,631.68</i>	329.30 <i>240.89</i>	20.41 —	20.15 <i>29.22</i>	3,172.91 <i>2,843.35</i>	758.90 <i>1,021.83</i>	1,021.83 <i>1,197.27</i>
Furniture and Fixtures	100.07 <i>98.70</i>	1.45 <i>1.37</i>	— —	101.52 <i>100.07</i>	88.07 <i>85.49</i>	3.75 <i>2.58</i>	3.30 —	— —	95.12 <i>88.07</i>	6.40 <i>12.00</i>	12.00 <i>13.21</i>
Vehicles	166.98 <i>161.67</i>	28.59 <i>22.55</i>	0.16 <i>17.24</i>	195.41 <i>166.98</i>	94.08 <i>87.58</i>	33.15 <i>19.37</i>	0.01 —	0.16 <i>12.87</i>	127.08 <i>94.08</i>	68.33 <i>72.90</i>	72.90 <i>74.09</i>
Office Equipments	142.54 <i>137.76</i>	7.51 <i>6.02</i>	0.49 <i>1.24</i>	149.56 <i>142.54</i>	99.87 <i>82.92</i>	24.27 <i>17.81</i>	14.78 —	0.49 <i>0.86</i>	138.43 <i>99.87</i>	11.13 <i>42.67</i>	42.67 <i>54.84</i>
Total Tangible Assets	8,013.99 <i>7,977.25</i>	171.60 <i>104.30</i>	291.12 <i>67.56</i>	7,894.47 <i>8,013.99</i>	4,416.67 <i>4,107.54</i>	622.21 <i>361.78</i>	179.06 —	42.01 <i>52.65</i>	5,175.93 <i>4,416.67</i>	2,718.54 <i>3,597.32</i>	3,597.32 <i>3,869.71</i>

Note 11.1 In terms of Section 123 and Schedule II of the Companies Act 2013 (the Act) applicable with effect from 01.04.2014, depreciation for the year ended 31.03.2015 has been provided on the basis of the useful lives of assets as prescribed in Schedule II of the Act. As a result, the depreciation charged for the year ended 31.03.2015 is higher by ₹ 313.84 lakhs. An amount of ₹ 118.20 lakhs (Net of deferred tax ₹ 60.86 lakhs) has been adjusted against the opening balance of Retained Earnings in respect of the assets which have no remaining useful life as per the transitional provisions specified in Schedule II of the Act.

Note 11.2 Company has adopted residual value less than 5 % of the original cost for some items of the fixed assets, based on technical advice.

12. INTANGIBLE ASSETS

₹ in lakhs

	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost as at 01.04.2014	Additions	Sales/ Adjustments	Cost as at 31.03.2015	Up to 01.04.2014	For the year	Sales/ Adjustments	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
Softwares	69.93 69.77	— 0.16	— —	69.93 69.93	40.29 26.30	13.98 13.99	— —	54.27 40.29	15.66 29.64	29.64 43.47

Figures in italics denote the corresponding figures for the previous year.

13. CAPITAL WORK IN PROGRESS

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Buildings	6.43	0.76
Plant and Equipments	4.68	25.96
Total	11.11	26.72

14. NON-CURRENT INVESTMENTS

Particulars	Face value each ₹	As at 31.03.2015		As at 31.03.2014	
		No. of shares	₹ in lakhs	No. of Shares	₹ in lakhs
In Equity Instruments - (Non-trade)					
At Cost (fully paid up - Unquoted)					
a) Jeevan Telecasting Corporation Ltd.	1,000	200	2.00	200	2.00
b) Kerala Enviro Infrastructure Ltd.	10	5,000	0.50	5,000	0.50
c) Cochin Waste 2 Energy Private Ltd.	10	50,000	5.00	50,000	5.00
Less : Provision for diminution in value			(5.00)		
d) Coconut Oil & Copra Producers' Co-Op. Society Ltd.	100	1	0.00	1	0.00
Total			2.50		7.50

15. LONG-TERM LOANS AND ADVANCES

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Unsecured - Considered good		
Capital Advances	—	2.00
Security Deposits	90.14	83.68
Other Loans and Advances		
- Commercial Advance	—	7.20
- Loans to Employees	22.23	1.92
Total	112.37	94.80

16. INVENTORIES

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Raw materials	5,023.66	3,440.64
Finished goods	1,007.62	949.93
Packing materials	257.11	309.96
Stores & spares and consumables	312.27	269.37
Total	6,600.66	4,969.90

See Note 1 (vi) for method of valuation of inventories.

17. TRADE RECEIVABLES

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
(i) Considered good				
Debts outstanding for a period exceeding 6 months from the date they are due for payment				
Secured	2.05		2.22	
Unsecured	0.80	2.85	1.16	3.38
Other debts				
Secured	5.93		5.31	
Unsecured	19.93	25.86	8.30	13.61
(ii) Considered doubtful				
Debts outstanding for a period exceeding 6 months from the date they are due for payment- unsecured	1.59		12.82	
Less: Provision for doubtful debts	(1.59)	—	(12.82)	—
Total		28.71		16.99

18. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Balance with Banks	3,604.53		171.64	
Cheques/drafts on hand	113.09		102.82	
Cash on hand	60.07		39.87	
Stamps on hand	0.06		0.08	
Total	3,777.75		314.41	

Note 18.1 Balance with banks include restricted bank balances of ₹ 832.14 lakhs (Previous year ₹ 87.44 lakhs) and time deposit with banks with a maturity of more than 12 months ₹ 0.02 lakh (Previous year ₹ 0.02 lakh). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees ₹ 7.96 lakhs (Previous year ₹ 7.51 lakhs) and earmarked bank balances for (1) unpaid dividends ₹ 714.18 lakhs (Previous year ₹ 39.93 lakhs) and (2) deposit repayment reserve account ₹ 110.00 lakhs (Previous year ₹ 40 lakhs).

19. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Advances recoverable in cash or in kind or for value to be received				
(a) Unsecured - Considered Good				
- Prepaid Expenses	276.05		228.20	
- Advances to Employees	99.30		71.99	
- Balance with government authorities	21.21		21.21	
- Other Advances	99.73	496.29	162.54	483.94
(b) Unsecured - Considered Doubtful	5.18		5.18	
Less : Provision for doubtful advances	(5.18)	—	(5.18)	—
Total		496.29		483.94

20. OTHER CURRENT ASSETS

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Unsecured - considered good				
Interest accrued on bank deposits	11.96		4.65	
Interest accrued on loans to employees	1.89		1.26	
Others	0.28		3.16	
Total	14.13		9.07	

21. OTHER INCOME

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Interest income		
- from banks (TDS ₹ 0.03 lakh - Previous year ₹ 0.09 lakh)	13.62	5.55
- from others (TDS ₹ 0.69 lakh - Previous year ₹ 0.34 lakh)	23.01	18.08
Dividend income from current investments	36.63	23.63
Insurance claim received	71.38	5.32
Excess provision for doubtful debts written back	0.67	0.47
Profit on sale of fixed assets (net)	1.20	1.42
Miscellaneous income	—	3.85
Total	53.23	55.09
	163.11	89.78

22. COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Opening Stock	3,440.64	3,202.16
Purchases	75,659.98	69,418.72
	79,100.62	72,620.88
Less : Closing stock	5,023.66	3,440.64
Cost of Material consumed	74,076.96	69,180.24

23. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Opening Stock	949.93	891.32
Closing Stock	1,007.62	949.93
Change in inventories of finished goods	(57.69)	(58.61)

24. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Remuneration and benefits to Employees and Directors		
Salary, wages, gratuity and bonus	2,754.00	2,349.17
Contribution to Provident Fund	202.21	175.63
Contribution to Employees' State Insurance Corporation	48.53	60.91
Contribution to KSE Ltd. Employees' Group Gratuity Fund Trust	121.61	119.14
Staff welfare expenses	256.69	153.03
Total	3,383.04	2,857.88

25. FINANCE COSTS

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Interest Expenses		
- on Term Loan	—	11.33
- on Cash Credit	54.95	107.65
- on Buyers' Credit	—	3.39
- on Short term Rupee Loan	14.89	—
- on Public Deposits	116.05	112.52
- on Others	8.35	0.46
	194.24	235.35
Other Borrowing Costs	0.25	1.31
Total	194.49	236.66

Note 25.1: Interest Expenses on Public Deposits include ₹ 0.78 lakh (Previous year ₹ 0.95 lakh) being interest paid on deposits accepted from Directors.

26. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Tangible Assets	622.21	361.78
Intangible Assets	13.98	13.99
Total	636.19	375.77

27. OTHER EXPENSES

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Processing charges	1,180.77	925.17
Packing materials consumed	2,491.03	2,287.80
Power and fuel	1,308.73	1,208.91
Freight	346.80	314.25
Stores and spares consumed	433.16	354.00
Rent (See Note 29.6)	12.84	12.30
Rates and taxes	59.53	70.20
Repairs		
Plant and machinery	37.05	27.74
Building	38.78	35.08
Vehicles	14.35	14.05
Others	124.39	95.73
Travelling and conveyance	41.31	39.83
Advertisement and Sales promotion	148.47	101.49
Postage and telephone	28.62	24.20
Printing and stationery	21.07	22.34
Insurance	35.53	29.02
Sitting fees to Directors	12.61	9.91
Payments to Auditors and expenses		
For Audit	11.00	9.50
For Tax audit	0.60	0.60
For Sales-tax audit	0.90	0.90
For Taxation matters	0.20	0.10
For Limited Review	1.50	1.50
For Certification works	0.77	0.36
Travelling and out-of-pocket expenses	3.07	2.45
Service Tax on the above	1.76	1.49
Professional charges	42.07	31.10
Commission and Brokerage	0.72	1.47
Bank Charges	30.33	63.10
Loss on sale of fixed assets (net)	3.62	—
Loss on exchange rate fluctuation (net)	9.95	20.72
Corporate Social Responsibility Expenditure	30.85	—
Provision for diminution in value of non-current investment	5.00	—
General charges	79.57	78.99
Total	6,556.95	5,784.30

28. EARNINGS PER SHARE

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Profit for the year as per the statement of Profit and Loss (₹ in lakhs)	4,363.41	1,537.36
Number of Equity Shares	32,00,000	32,00,000
Basic and diluted earnings per share (₹)	136.36	48.04

29. ADDITIONAL INFORMATION

- 29.1 Figures of the previous year have been regrouped and recast wherever necessary to suit the current year's layout.
- 29.2 In the opinion of the Board, current assets and long term loans & advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

29.3 **Contingent liabilities and commitments** (to the extent not provided for in the accounts)

	2014-15	2013-14
	₹ in lakhs	₹ in lakhs
I. Contingent Liabilities		
a) Claims against the Company not acknowledged as debts (See Note 29.4):		
(i) Customs Duty	47.05	47.05
(ii) Kerala General Sales Tax	25.40	25.40
(iii) Freight/demurrage demanded by Indian Railways	57.11	57.11
(iv) ESI	4.38	4.38
(v) Electricity	1.12	1.12
b) Bank guarantees in favour of KSEB	42.70	38.28
c) Other money for which the Company is contingently liable	<u>—</u>	<u>—</u>
	177.76	173.34
II. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account not provided for	2.33	2.95
(b) Uncalled liability on shares and other investments partly paid	<u>—</u>	<u>—</u>
(c) Letter of credit for import of raw materials	728.96	1,036.64
	731.29	1,039.59
TOTAL	<u>909.05</u>	<u>1,212.93</u>

29.4 Details in respect of claims against the Company not acknowledged as debts disclosed under Note No. 29.3 are as follows:

- (i) Commissioner of Customs, Cochin has issued Orders demanding ₹ 47,05,015 for short levy of customs duty on import of Machinery for cattle feed plant and spare parts due to difference in classification under Customs Tariff Head. Aggrieved by the order, Company had filed an appeal before the Hon. Customs, Excise and Service Tax Appellate Tribunal, Bangalore and the appeal is pending.
- (ii) Assistant Commissioner (Assessment), Department of Commercial taxes, Thrissur had issued order demanding ₹ 25,40,012 (including interest ₹ 12,63,624) for the financial year 2000-01 against sales tax exemption claimed on sale of refined vegetable oil. On appeal, The Deputy Commissioner (Appeals), Ernakulam had issued an order directing the assessing authority to reconsider the matter. The final order from the Assistant Commissioner (Assessment) is not yet received.
- (iii) Southern Railway had raised two demands aggregating to ₹ 57,10,829 on grounds of undercharge due to incorrect classification of deoiled rice bran. The claim has been challenged by the Company before the Hon. High Court of Kerala and the writ petition is still pending before the Court.
- (iv) (a) Some of the employees of the company had challenged the enhancement of wage limit for coverage of ESI, before the Hon. High Court of Kerala and the Court had granted stay. The cases were disposed off by the Court in favour of ESI Corporation and Company had remitted contributions of employer and employees.

Subsequently, ESI Corporation demanded interest amounting to ₹ 1,56,862 for delay in payment of contributions relating to the period when the above stay was in operation and ₹ 19,214 towards employees' contribution in respect of retired/resigned employees during the said period. Company had preferred appeal before the ESI Court, Palakkad which was decided in favour of the Company. Aggrieved by the order, ESI Corporation had filed appeal before the Hon. High Court of Kerala challenging the orders of ESI Court, Palakkad, and the said appeal is still pending.

ESI Corporation had also demanded damages of ₹ 1,14,199 for the delay in remittance of contribution mentioned above and the Company had filed an appeal before the ESI Court, Palakkad which is still pending.

(b) ESI Corporation has issued order demanding ₹ 1,62,952 as interest and ₹ 60,080 as damages for delay in remittance of contribution on omitted wages for the period from 01.04.1996 to 31.03.2002. The Company remitted ₹ 75,000 towards this demand on direction by the Court, while granting stay. The balance demand is ₹ 1,48,032, and the case is still pending before ESI Court, Palakkad.

(v) Kerala State Electricity Board (KSEB) had issued order demanding ₹ 1,11,780 for additional connected load in Konikkara Dairy Unit of the company relating to the period from November, 2001 to July, 2002. This demand has been challenged by the company before the Hon. High Court of Kerala which is still pending.

In all the above cases company is legally advised that there is a good chance for full relief and hence no provision is considered necessary at this stage.

29.5 The landed property of the company located at Mysore with an area of around 4 acres 10 cents was sold during the financial year 2014-15 for a total sale consideration of ₹ 1,350 lakhs. Profit on the sale of the property earned by the Company amounting to ₹ 1,045.71 lakhs has been shown in the Statement of profit and loss as Exceptional item.

29.6 Lease rental payments

	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
(a) Recognised in statement of profit and loss	12.84	12.30
(b) Future minimum lease rentals payable as per lease agreement at the year end		
(i) Not later than one year	0.90	0.67
(ii) Later than one year and not later than five years	—	4.90
Total	0.90	5.57
(c) The Company has hired buildings under rental arrangements which are treated as operating lease.		

29.7 Disclosures required under Accounting Standard 15 “Employee Benefits” (Revised 2005)

I Defined Contribution Plans

During the year the following amounts have been recognised in the statement of profit and loss on account of defined contribution plans:

	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
Employer's Contribution to Provident Fund	202.21	175.63
Employer's Contribution to Employee's State Insurance Corporation	48.53	60.91

II Defined Benefit Plan / Other Long Term Benefits -

	Gratuity (Funded)		Compensated absences (Funded)	
	2014-15	2013-14	2014-15	2013-14
(i) Actuarial Assumptions				
Discount Rate (per annum)	8%	8%	8%	8%
Expected Rate of return on plan assets (per annum)	8%	8%	8%	8%
Salary escalation Rate (per annum)	7%	7%	7%	7%
Mortality Rate	Indian Lives Mortality (1994-96) Ultimate Table			
	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
(ii) Reconciliation of present value of obligations				
Present value of obligation at the beginning of the year	948.83	788.45	91.04	64.98
Current service cost	58.66	51.02	93.62	92.06
Interest cost	78.25	65.12	11.03	8.88
Actuarial (gain) / loss	84.43	79.86	(48.76)	(40.56)
Benefits paid	(92.44)	(35.62)	(42.10)	(34.32)
Present value of obligations at the end of the year	1,077.73	948.83	104.83	91.04

	Gratuity (Funded)		Compensated absences (Funded)	
	2014-15	2013-14	2014-15	2013-14
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(iii) Reconciliation of fair value of plan assets				
Fair value of plan assets at the beginning of the year	1,138.19	895.12	107.20	100.48
Expected return on plan assets	91.05	71.61	8.57	8.04
Actuarial gain / (loss)	8.68	5.25	3.50	(1.26)
Contributions	164.81	201.83	6.34	--
Benefits paid	(92.44)	(35.62)	(0.01)	(0.06)
Fair value of plan assets at the end of the year	1,310.29	1,138.19	125.60	107.20
(iv) Description of plan assets - Insurer managed assets	1,310.29	1,138.19	125.60	107.20
(v) Net (Asset) / Liability recognised in the balance sheet as at the end of the year				
Present value of obligation at the end of the year	1,077.73	948.83	104.83	91.04
Fair value of plan assets at the end of the year	1,310.29	1,138.19	125.60	107.20
Net present value of funded obligation recognised as (asset) / liability in the balance sheet	(232.56)	(189.36)	(20.77)	(16.16)
(vi) Expenses recognised in the statement of profit and loss				
Current service cost	58.66	51.02	93.62	92.06
Interest cost	78.25	65.12	11.03	8.88
Expected return on plan assets	(91.05)	(71.61)	(8.57)	(8.04)
Actuarial (gain) / loss recognised in the period	75.75	74.61	(52.26)	(39.30)
Total expenses recognised in the statement of profit and loss for the year	121.61	119.14	43.82	53.60
Actual return of plan assets	99.73	76.86	12.07	6.78
(vii) Non-current and current value of obligation				
Non-current	986.32	838.55	92.24	85.34
Current	91.41	110.28	12.59	5.70
Total value of obligation	1,077.73	948.83	104.83	91.04

	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(viii) Amount recognised in current year and previous four years					
Gratuity (Funded)					
Present value of defined benefit obligations	1,077.73	948.83	788.45	713.94	569.98
Fair value of plan assets	1,310.29	1,138.19	895.12	740.93	616.52
Funded status - (asset) / liability	(232.56)	(189.36)	(106.67)	(26.99)	(46.54)
Actuarial (gain) / loss on plan obligations	84.43	79.86	(3.06)	127.00	83.93
Actuarial gain / (loss) on plan assets	8.68	5.25	8.41	4.38	5.21
Compensated absences (Funded)					
Present value of defined benefit obligations	104.83	91.04	64.98	63.01	45.45
Fair value of plan assets	125.60	107.20	100.48	82.11	64.24
Funded status - (asset) / liability	(20.77)	(16.16)	(35.50)	(19.10)	(18.79)
Actuarial (gain) / loss on plan obligations	(48.76)	(40.56)	(55.54)	(29.78)	(47.05)
Actuarial gain / (loss) on plan assets	3.50	(1.26)	1.07	0.82	0.57

Notes:

- The above disclosures are based on information certified by the independent actuary and relied upon.
- The plan assets of the Company are managed by the Life Insurance Corporation of India in terms of insurance policies taken to fund the obligations of the Company with respect to its Gratuity and Compensated Absences Plan. Information on categories of plan assets is not available with the Company.

29.8 Segment Information
Segment Revenue, Results and Capital Employed

₹ in lakhs

Sl. No.	Particulars	Financial Year	BUSINESS SEGMENTS			Total
			Animal Feed	Oil cake processing	Dairy	
a)	Segment Revenue	2014-15	74,261.89	21,519.02	2,518.51	98,299.42
		2013-14	67,987.01	17,132.44	2,261.43	87,380.88
	Less Inter-segment Revenue	2014-15	—	8,329.37	—	8,329.37
		2013-14	—	6,750.55	—	6,750.55
	Total Revenue	2014-15	74,261.89	13,189.65	2,518.51	89,970.05
		2013-14	67,987.01	10,381.89	2,261.43	80,630.33
b)	Segment Results	2014-15	2,580.57	2,956.03	19.98	5,556.58
		2013-14	1,701.50	784.44	159.69	2,645.63
	Less Unallocable expenditure (net of unallocated income)	2014-15				18.87
		2013-14				65.10
	Less Finance Costs	2014-15				194.49
		2013-14				236.66
	Total Profit before tax and exceptional items	2014-15				5,343.22
		2013-14				2,343.87
	Add Exceptional items	2014-15				1,045.71
		2013-14				—
	Profit before tax	2014-15				6,388.93
		2013-14				2,343.87
c)	Segment Assets	2014-15	6,141.34	3,078.93	644.12	9,864.39
		2013-14	6,756.24	1,660.16	680.22	9,096.62
	Unallocated Assets	2014-15				3,938.15
		2013-14				453.67
	Total Assets	2014-15				13,802.54
		2013-14				9,550.29
d)	Segment Liabilities	2014-15	2,530.79	314.18	99.23	2,944.20
		2013-14	1,346.00	326.06	94.68	1,766.74
	Unallocated Liabilities	2014-15				3,677.27
		2013-14				2,925.46
	Total Liabilities	2014-15				6,621.47
		2013-14				4,692.20
e)	Segment Capital Expenditure	2014-15	81.44	29.94	15.14	126.52
		2013-14	27.46	4.60	67.54	99.60
	Unallocated Capital Expenditure	2014-15				29.47
		2013-14				0.31
	Total Capital Expenditure	2014-15				155.99
		2013-14				99.91
f)	Segment Depreciation and amortisation expenses	2014-15	413.24	110.63	78.40	602.27
		2013-14	227.85	76.34	50.49	354.68
	Unallocated Depreciation	2014-15				33.92
		2013-14				21.09
	Total Depreciation and amortisation expenses	2014-15				636.19
		2013-14				375.77
g)	There is no significant non-cash expenses, included in segment expenses, other than depreciation and amortisation expenses in respect of segment assets.					

Notes:

	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
1 Unallocated assets include		
Non- current investments	2.50	7.50
Cash and Bank balances	3,777.75	314.41
Deferred tax asset	24.82	—
2 Unallocated liabilities include		
Deferred tax liability	—	155.32
Long Term borrowings	528.48	649.25
Current maturities of Public Deposit	376.03	289.22
Interest accrued but not due on public deposits	120.87	116.30
Unpaid dividends	714.18	39.93
Short-term borrowings	831.60	728.90
Provision for taxation (net of advance tax)	253.31	29.03
Provision for proposed dividend and dividend distribution tax	770.29	748.77

29.9 Disclosure of Related Party Transactions in accordance with the accounting standard (AS - 18) “ Related Party Disclosures”

A. Related Party and Nature of Relationship

Sl. No.	Nature of Relationship	Name of related party
1	Key managerial personnel	Mr. M.C. Paul Mr. P.K. Varghese
2	Enterprises over which the key managerial personnel and their relatives are able to exercise significant influence having transactions with the Company	Emceepee Traders M.C. Paul & Sons MCP Rose Supermarket P. Ltd. Emceepee Agencies Emceepee Properties P. Ltd. Surya Agencies Pokkath Auto Fuels
3	Relatives of Key Managerial Personnel having transactions with the Company	Mrs. Annie Paul Mrs. Mariamma Francis Mrs. Seema Suresh Mrs. Sawmiya Varghese Mrs. Alpho Varghese

B. Transactions with Related Parties during the year

		2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
1	Transactions with Key Managerial Personnel		
1.a	Remuneration		
	Mr. M.C. Paul	45.31	27.68
	Mr. P.K. Varghese	16.30	17.51
	Total	61.61	45.19
1.b	Balance outstanding as at the year end -		
--	Payables - Bonus payable and gratuity provided in accounts		
	Mr. M.C. Paul	47.84	33.00
	Mr. P.K. Varghese	12.92	11.87
	Total	60.76	44.87
--	Receivables	Nil	Nil
2	Transactions with enterprises over which key managerial personnel and their relatives are able to exercise significant influence		

		2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
2.a	Sale of Products	Emceepee Traders Emceepee Agencies MCP Rose Supermarket P. Ltd. Surya Agencies Total	46.47 15.99 9.89 40.14 112.49
		49.88 16.14 10.89 43.80 120.71	
2.b	Purchase of Materials	M.C. Paul & Sons MCP Rose Supermarket P. Ltd. Pokkath Auto Fuels Total	0.28 1.02 21.62 22.92
		0.53 0.27 18.00 18.80	
2.c	Sales Promotion	MCP Rose Supermarket P. Ltd. Emceepee Agencies MCP Properties P. Ltd. (Hall rent for dealer conference) Total	0.25 0.11 — 0.36
		0.25 2.38 2.63	
2.d	Balance outstanding as at the year end		
--	Payables	Emceepee Traders Emceepee Agencies Surya Agencies M.C. Paul & Sons MCP Rose Supermarket P. Ltd. Total	0.10 0.02 0.23 — — 0.35
		0.10 0.02 0.28 0.47 0.01 0.88	
--	Receivables		Nil
3	Transactions with relatives of Key Managerial Personnel		
3.a	Interest on fixed deposits	Mrs. Annie Paul Mrs. Mariamma Francis Mrs. Seema Suresh Mrs. Sawmiya Varghese Mrs. Alpo Varghese Total	0.78 0.14 0.04 0.10 0.10 1.16
		0.87 0.06 0.04 0.11 0.11 1.19	
3.b	Balance outstanding as at the year end		
--	Payables (Fixed Deposits including accrued interest)	Mrs. Annie Paul Mrs. Mariamma Francis Mrs. Seema Suresh Mrs. Sawmiya Varghese Mrs. Alpo Varghese Total	7.49 1.40 0.40 0.93 0.97 11.19
		8.28 — 0.44 1.03 1.08 10.83	
--	Receivables		Nil

4. No amount has been provided/written off as doubtful debts or advances written back in respect of payables due from or to any of the above related parties.

29.10 Raw materials consumed

		2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
(a)	Coconut Oil Cake	17,442.80	15,864.25
(b)	Rice Bran	24,765.05	25,854.37
(c)	Maize	12,428.98	11,710.23
(d)	Cotton Seed Cake	5,590.17	4,874.35
(e)	Milk	1,469.11	1,132.65
(f)	Others	12,380.85	9,744.39
	Total	74,076.96	69,180.24

29.11 Particulars in respect of stock and turnover

₹ in lakhs

Sl. No.	Class of goods manufactured	Opening Value		Closing Value		Sales Value	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1.	Ready-mixed Cattle Feed and Feed Supplement	484.75	339.80	518.49	484.75	73,932.47	67,740.59
2.	De-oiled Coconut Cake	268.64	222.89	211.79	268.64	4,971.49	5,238.28
3.	Refined Oil	51.92	21.12	35.29	51.92	7,748.26	4,111.48
4.	Solvent Extracted Coconut oil	107.88	266.26	198.15	107.88	293.21	908.76
5.	Milk	4.11	2.80	4.65	4.11	1,542.74	1,332.22
6.	Ice Cream	21.43	23.00	26.91	21.43	749.70	696.49
7.	Others	11.20	15.45	12.34	11.20	760.29	602.51
	Total	949.93	891.32	1,007.62	949.93	89,998.16	80,630.33

29.12 Consumption of raw materials and stores and spares

		Year ended 31 st March 2015		Year ended 31 st March 2014	
		%	₹ in lakhs	%	₹ in lakhs
(a)	Raw Materials				
	Imported	6.21	4,598.20	3.00	2,077.02
	Indigenous	93.79	69,478.76	97.00	67,103.22
	Total	100.00	74,076.96	100.00	69,180.24
(b)	Stores and Spares				
	Imported	0.24	1.04	3.85	13.63
	Indigenous	99.76	432.12	96.15	340.37
	Total	100.00	433.16	100.00	354.00

Year ended
31st March 2015

Year ended
31st March 2014
29.13 CIF value of imports (₹ in lakhs)

- Raw materials	4,560.87	1,703.43
- Capital goods	Nil	Nil
- Stores and Spares	Nil	4.67

29.14 Expenditure in Foreign Currency (₹ in lakhs)
0.12 3.50

29.15 Earnings in Foreign Exchange (₹ in lakhs)
Nil Nil

29.16 Remittance in foreign currencies on account of dividend (including remittance to NRE accounts)

i) No. of Non-Resident shareholders	36	24
ii) No. of shares held by them	18,523	14,781
iii) Dividend remitted in Foreign Currency	Nil	Nil

Jose Paul Thaliyath
Chairman (DIN : 01773031) Sd/-

M.C. Paul
Managing Director (DIN : 00105776) Sd/-

As per our report of
even date attached
For **VARMA & VARMA**
(Firm No. 004532 S)

R. Sankaranarayanan
Chief Financial Officer
and Company Secretary Sd/-

P.K. Varghese
Executive Director (DIN : 00106697) Sd/-

A.P. George, Director & Legal Advisor
(DIN : 00106808) Sd/-

Sd/-
C. Pankajakshan
(M. No. 12948)
Partner
Chartered Accountants

May 30, 2015

P.D. Anto
Director (DIN : 00106965) Sd/-

SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

₹ in lakhs

	2014-15	2013-14	2012-13	2011-12	2010-11
A. ASSETS					
1. Net Fixed Assets:					
Gross Fixed Assets	7975.51	8110.64	8078.29	7308.62	7194.27
Less Depreciation/amortisation	5230.20	4456.96	4133.84	3725.22	3410.49
	2745.31	3653.68	3944.45	3583.40	3783.78
2. Investments	2.50	7.50	7.50	7.50	7.50
3. Long term advances and Current Assets	11054.73	5889.11	5580.35	5046.59	3919.18
Total assets	13802.54	9550.29	9532.30	8637.49	7710.46
B. LIABILITIES					
1. Secured and unsecured loans	1736.11	1667.37	2994.24	2622.47	2525.16
2. Other Liabilities	4885.36	3024.83	2468.56	2043.84	1849.95
Total liabilities	6621.47	4692.20	5462.80	4666.31	4375.11
C. NET WORTH (A-B)					
	7181.07	4858.09	4069.50	3971.18	3335.35
REPRESENTED BY					
1. Share Capital	320.00	320.00	320.00	320.00	320.00
2. Reserves and Surplus	6861.07	4538.09	3749.50	3651.18	3015.35
Shareholder's equity	7181.07	4858.09	4069.50	3971.18	3335.35

SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

₹ in lakhs

	2014-15	2013-14	2012-13	2011-12	2010-11
A. EARNED FROM					
1. Sales	89970.05	80630.33	69717.71	54222.00	45368.03
2. Other income	1208.82	89.78	108.18	114.28	68.04
	91178.87	80720.11	69825.89	54336.28	45436.07
B. PAID AND PROVIDED FOR					
1. Raw materials and finished goods	74019.27	69121.63	60474.34	45026.54	38060.08
2. Manufacturing, administrative, selling and other expenses	6556.95	5784.30	5601.64	4730.89	4161.05
3. Employees' benefits expenses	3383.04	2857.88	2348.07	2287.07	1855.14
4. Finance costs	194.49	236.66	313.65	245.27	236.64
5. Depreciation/amortisation	636.19	375.77	422.10	459.47	455.85
	84789.94	78376.24	69159.80	52749.24	44768.76
C. PROFIT BEFORE TAX (A-B)	6388.93	2343.87	666.09	1587.04	667.31
Less: Tax Expenses	2025.52	806.51	200.79	542.11	217.50
D. NET PROFIT AFTER TAX	4363.41	1537.36	465.30	1044.93	449.81
APPROPRIATED TO					
1. Dividend	1600.00	640.00	320.00	352.00	320.00
2. Dividend distribution tax	322.23	108.77	54.38	57.10	51.91
3. Retained in business	2441.18	788.59	90.92	635.83	77.90
	4363.41	1537.36	465.30	1044.93	449.81



Regd. Office: Post Box No. 20, Solvent Road, Irinjalakuda, Kerala - 680 121
Ph: 0480 2825476 Email: ksekerala@gmail.com Web: kselimited.com

FORM NO. MGT-11

PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

51st Annual General Meeting

Saturday, September 19, 2015 at 3.00 p.m.

1	Name of the Company	KSE Limited
2	CIN	L15331KL1963PLC002028
3	Registered Address	Solvent Road, Irinjalakuda – 680121, KERALA

1	Name of Sole / First Member	
2	Registered Address	
3	E Mail Id:	
4	Registered Folio No. / Client ID No.	
5	DP ID	

I/We, being member(s) holding shares of the above named Company, hereby appoint

1	Name	
	Address	
	E Mail Id:	
	Signature	

or failing him

2	Name	
	Address	
	E Mail Id:	
	Signature	

or failing him

3	Name	
	Address	
	E Mail Id:	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the for 51st Annual General Meeting to be held on 19th September, 2015 at 3.00 pm at the registered address of the Company and at any adjournment thereof in respect of such resolutions as are indicated below :

#	Description	Type of Resolution	For	Against
Ordinary business:				
1	Adoption of audited financial statements along with reports of directors and auditors for year ended 31 st March, 2015	Ordinary		
2	Declaration of dividend for year ended 31 st March, 2015	Ordinary		
3	Reappointment of Mr. A.P. George, retiring by rotation and seeking re-election	Ordinary		
4	Reappointment of Mr. T.R. Ragulal, retiring by rotation and seeking re-election	Ordinary		
5	Ratification of Appointment of Statutory Auditors	Ordinary		
Special Business:				
6	Appointment of Mr. Paul John as an Independent Director	Ordinary		
7	Approval of remuneration of Cost Auditor	Ordinary		
8	Approval for acceptance of Deposits from Public and/or members	Ordinary		
9	Approval for enhancement of remuneration to Mr. P.K. Varghese, Executive Director	Ordinary		
10	Approval for payment of posthumous benefits to Late P.K. Varghese, Executive Director	Ordinary		

Signed this day of, 2015

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The form should be signed across the stamp as per specimen signature registered with the company.
- A Proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
- For the resolutions, explanatory statement and Notes, please refer to the Notice of 51st Annual General Meeting.

Affix
Revenue
Stamp



MANAGING DIRECTOR ADDRESSING THE AUDIENCE AT THE "ALL KERALA DEALER MEET 2015" HELD AT IRINJALAKUDA
ON 21ST FEBRUARY, 2015 ALONG WITH OTHER BOARD MEMBERS AND SENIOR MANAGERS

Production Units

KERALA

KSE Limited
Irinjalakuda Unit, P.B. No. 20,
Solvent Road, Irinjalakuda - 680 121
Tel: 0480 2825476, 2825576, 2826676
Fax: 0480 2826075 E-mail: ksekerala@gmail.com

KSE Limited
Koratty Unit, KINFRA Park, Nalukettu Road,
Koratty - 680 309, Thrissur Dist.
Tel: 0480 3257651, 2735855, 2734590
Fax : 0480 2735855

KSE Limited
Vedagiri Unit, Kurumullur, Athirampuzha,
Kottayam Dist. - 686 632.
Tel: 0481 2536829, 2538718, 2538719
Fax: 0481 2536830

KSE Limited
Palakkad Unit, Othungode, Kerala,
Palakkad - 678 020
Tel: 0491 2536332, 2531858. Fax: 0491 2538451

KSE Limited
Dairy Unit, Konikkara, Marathakkara P.O.,
Thrissur - 680 320 Tel: 0487 2351501, 2358806
Fax: 0487 2356394

KSE Limited
Ice Cream Unit, Vedagiri,
Kurumullur, Athirampuzha,
Kottayam Dist. - 686 632.
Tel: 0481 2538881

TAMIL NADU

KSE Limited
Swaminathapuram Unit, Swaminathapuram,
Dindigul Dist. - 642 113
Tel: 04252 252560, 252561, 252562, 252563
Fax: 04252 252565

KSE Limited
Dairy Unit, Thalayuthu
Tamil Nadu - 624 618 Tel: 04252 252861
Fax: 04252 252860

Production units-out sourced

KSE Limited
V/679 J, Muppathadam P.O., Edayar,
Kochi - 683 110. Tel: 0484 2541070, 2559362

KSE Limited
Plot No. 71, Industrial Development Area,
Kochuveli, Titanium P. O.,
Thiruvananthapuram - 695 021
Tel: 0471 2501981

Branch

KSE Limited
XXXIII / 2837, Paropadi, Merikkunnu P.O.,
Kozhikode - 673 012. Tel: 0495 2370056, 2900194



Corporate Office:

P.B. No. 20, SOLVENT ROAD, IRINJALAKUDA, KERALA-680 121
Tel: 0480 2825476, 2826676 | Fax: 0480 2826075
Email: ksekerala@gmail.com | Website: www.kselimited.com



51st Annual Report

2014-2015

Respectful Homage



P. K. VARGHESE

04.05.1946 - 12.07.2015

Executive Director
KSE Limited

*Your guidance and support will always be cherished
and will continue to inspire us in our future endeavours.*



CIN : L15331KL1963PLC002028

Registered Office

Solvent Road, Irinjalakuda,
Kerala -680 121

Statutory Auditors

M/s. Varma & Varma,
(Firm No.004532 S)
Chartered Accountants,
Marath Lane, M.G. Road
Thrissur.

Secretarial Auditors

CS Sathish V.
Practising Company Secretary
(FCS 8005 ; COP 8343)
Ernakulam

Cost Auditors

M/s. A. R. Narayanan & Co.
Cost Accountants, Regn. No.: 101421,
Ernakulam.

Bankers

ICICI Bank Limited

Registrars and Share Transfer Agents

M/s. S.K.D.C. Consultants Limited,
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road, Ganapathy,
Coimbatore – 641006
Phone : 0422 6549995
Mail : info@skdc-consultants.com

Annual General Meeting

On Saturday,
19th September, 2015 at 3.00 p.m.

Venue

Registered Office,
Solvent Road, Irinjalakuda - 680 121

Chairman

Jose Paul Thaliyath

Managing Director

M. C. Paul

Executive Director

P. K. Varghese (upto 12th July, 2015)

Director and Legal Advisor

A. P. George

Directors

K.P. John (resigned effective from 08.01.2015)

P. D. Anto

Dr. K. C. Vijayaraghavan

John Francis K.

T. R. Ragulal

Joseph Xavier

Sathi A. Menon (from 25.09.2014)

Paul John (from 12.02.2015)

Chief General Manager

Anand Menon

Chief Financial Officer and Company Secretary

R. Sankaranarayanan

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Financial Highlights

	2014-2015	2013-2014
	₹ in Lakhs	₹ in Lakhs
Sales and other income	90133.16	80720.11
Gross Profit (Profit before Depreciation and Finance costs)	6173.90	2956.30
Profit before tax	6388.93	2343.87
Net profit after tax	4363.41	1537.36
Shareholders' Equity (Net worth)	7181.07	4858.09
Capital employed	7764.13	5702.41
Gross fixed assets	7975.51	8110.64
	₹	₹
Shareholders' equity per share	224.41	151.82
Earnings per share of ₹ 10 each	136.36	48.04
Dividend rate	500%	200%



Regd. Office : Solvent Road, Irinjalakuda - 680 121
CIN No.L15331KL1963PLC002028

NOTICE OF THE 51ST ANNUAL GENERAL MEETING

Notice is hereby given that the 51st Annual General Meeting of KSE Limited, Irinjalakuda will be held at the Registered Office of the Company on Saturday, the 19th September, 2015 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. Adoption of Accounts for the year ended 31st March, 2015

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT the audited financial statements of the Company for the year ended 31st March, 2015 including balance sheet as at 31st March, 2015 and the statement of profit and loss for the year ended 31st March, 2015 together with the reports of the board of directors and the auditors of the Company thereon, as presented to the meeting, be and are hereby received, approved and adopted.”

2. To declare dividend on equity shares at the rate of ₹ 50 per equity share

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT dividend of ₹ 50 per equity share on 32,00,000 equity shares of ₹ 10 each be and is hereby declared out of the profits of the Company for the year ended 31st March, 2015, including the interim dividends declared by the Board of Directors of the Company on 12th February, 2015 and 25th March, 2015 aggregating to ₹ 30 per equity share of ₹ 10 each, absorbing a total amount of ₹ 19,22,23,248 (including dividend distribution tax and cess thereon) and that the final dividend of ₹ 20 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30th May, 2015 be paid to those shareholders, whose names appear in the Company's register of members as on 19th September, 2015 and in respect of equity shares held in dematerialised form to those beneficial owners of the equity shares as at the end of business hours on 31st August, 2015 as per the details furnished by the depositories for this purpose.”

3. To appoint a Director in place of Mr. A.P. George (DIN : 00106808), who retires by rotation and being eligible, offers himself for re-appointment

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. A.P. George (DIN : 00106808), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

4. To appoint a Director in place of Mr. T.R. Ragulal (DIN : 00361070), who retires by rotation and being eligible, offers himself for re-appointment

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. T.R. Ragulal (DIN : 00361070), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

5. Ratification of Appointment of Auditors

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT the members do and hereby ratify the appointment of M/s. Varma & Varma, Chartered Accountants (ICAI Firm Registration No. 004532 S) as Auditors of the Company in the Annual General Meeting (AGM) held on 25th September, 2014 till the conclusion of the fifty third AGM of the Company to be held in the year 2017, pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, on such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

6. Appointment of Independent Director

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sec.149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under, read with Schedule-IV of the Act, Mr. Paul John (DIN: 00601440), who has been appointed as an Independent Director by the Board in its meeting held on 12th February, 2015 in the casual vacancy arising out of the resignation of Mr. K.P. John (DIN: 00106897) to hold the office till the date the outgoing director Mr. K.P. John (DIN: 00106897) would have held office, had it not been vacated, that is, upto 25th September, 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Paul John, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as a candidate for the office of Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto 25th September, 2019 and he is not liable to retire by rotation.”

7. Approval of remuneration to Cost Auditor

To consider and if deemed fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment there of for the time being in force), M/s. A.R. Narayanan & Co, Cost Accountants, Cochin, (ICAI Firm Registration No. 101421) appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2016 be paid the remuneration of ₹ 1,75,000 plus service tax and out of pocket expenses.

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

8. Approval for acceptance of Deposits from Public/Members

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 73, 76 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Acceptance of Deposits) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be accorded to the Company to invite/accept/renew from time to time unsecured/secured deposits from the public and/or Members of the Company upto the permissible limits as prescribed under the Rules.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company (herein after referred to as “the Board” which term shall be deemed to include any Committee there of) be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such invitation/acceptance/renewal of deposits by the Company and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

9. Approval for enhancement of remuneration to Mr. P.K. Varghese, Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment there to or enactment there of for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the enhancement of remuneration, by way of salary, bonus, perquisites and allowances of Mr. P.K. Varghese (DIN 00106697), Executive Director of the Company within the tenure of his current appointment, from 1st April, 2015 till his death on 12th July, 2015 as follows which is as approved by the Nomination and Remuneration Committee and also by the Board of Directors of the Company in their meeting held on 25th March, 2015:

a) Salary

₹ 1,30,000 (Rupees One Lakh Thirty Thousand only) per month.

b) Bonus

Bonus at the rates and in accordance with the rules of the Company as applicable to the senior managerial personnel of the Company within the overall limit under Schedule V to the Companies Act, 2013.

c) Gratuity

Gratuity, as per the Rules of the Company, at the rate of half a month's salary for each year of completed service including past service with the Company.

d) Contribution to funds

Company's contribution to provident fund to the extent the same is not taxable under the Income tax Act, 1961.

e) Benefits, Perquisites and Allowances

- i. Provision of a car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed to him, if he is not provided with Company's driver.
- ii. Free use of Company's Mobile Phone and telephone at his residence.
- iii. Reimbursement of medical expenses incurred for himself and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- iv. Actual leave travel expenses, as per the Rules of the Company, excluding hotel charges once in a year to any place in India to himself and his family.
- v. Fees to clubs subject to a maximum of two clubs provided that no life membership fee or admission fee is paid.

The value of the perquisites would be evaluated as per Income tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

“RESOLVED FURTHER THAT in the event of there being inadequacy or absence of profits during the above period, he will be paid remuneration in terms of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactments there of or such other limit as may be prescribed by the Government from time to time as minimum remuneration.”

10. Posthumous benefits to Late P.K. Varghese, Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. Marykutty Varghese, wife of Late P.K. Varghese who was Executive Director of the Company, be paid ₹ 3,90,000 (Rupees Three Lakhs Ninety Thousand only), which is equivalent to three month's last drawn salary of Late P.K. Varghese, as Leave Salary and that the Hyundai Motors Neo Elantra CRDI SX motor car with Registration No. KL - 45 H 8644 owned by the Company and being used by Late P.K. Varghese for official purposes of the Company, purchased on 18th October, 2012 for ₹ 16,63,170 and having a written down value of ₹ 6,09,822 as on 23rd July, 2015, be handed over to Mrs. Marykutty Varghese, wife of Late P.K. Varghese as a reward from the Company for the selfless services rendered by him towards the growth and development of the Company during the period of his association with the Company spanning over a period of 45 years.”

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 in respect of the Special Business set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote on a poll instead of himself and such a proxy need not be a member.
3. The instrument of proxy must be deposited with the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Members / Proxies are requested to bring duly filled Attendance Slip to attend the Meeting, along with their copy of Annual Report.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
7. Relevant documents referred to in the accompanying notice and the explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 will be available for inspection at the registered office of the Company during business hours on all working days up to the date of Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2015 to 19th September, 2015 (both days inclusive).
9. The dividend, if declared at the Annual General Meeting, would be paid/despached on or after 19th September, 2015 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 31st August, 2015 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode; and
 - (b) whose names appear as Members in the Register of Members of the Company as on 19th September, 2015 after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 31st August, 2015.
10. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to Investor Education and Protection Fund pursuant to Section 205 A of the Companies Act, 1956. It may be noted that no claim shall lie against the Company or the Investor Education and Protection Fund in respect of unclaimed dividend amount thus transferred to the said Fund. The members who have not encashed the dividend warrants for the final dividend for financial year ended 31st March 2008 onwards are requested to lodge their claim with the Company.
11. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends relating to the financial years from 2006-2007, as on the date of the 50th Annual General Meeting (AGM) held on 25th September, 2014, on the website of the IEPF (www.iepf.gov.in) and on the website of the Company at www.kselimited.com.
12. The members are requested to address all correspondences, including dividend matters and change in their addresses, to M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
13. Members holding shares in the electronic mode are requested to approach their respective Depository Participants for effecting change of address and updation of bank account details.

14. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents of the Company, at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
15. Members have facility for dematerialising equity shares of the Company with National Securities Depository Ltd. and Central Depository Services (India) Ltd. The ISIN No. allotted to the Company is INE953E01014. Any member desirous of dematerialising his holding may do so through any of the Depository Participants.
16. Members may note that transferees of shares of the Company in physical form shall furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares.
17. Information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the directors seeking appointment / re-appointment at the AGM are furnished and forms part of the notice. The directors have furnished the requisite consents / declarations for their appointment / re-appointment.
18. **VOTING THROUGH ELECTRONIC AND PHYSICAL MEANS**

The members holding shares of the Company, either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th September, 2015, will be eligible to cast their votes in any of the three modes mentioned below:

- A) In compliance with the provisions of Clause - 35B of the Listing Agreements read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 51st Annual General Meeting scheduled to be held on Saturday, the 19th September, 2015 at 3.00 p.m. by electronic means and the business may be transacted through e-voting. Once the member exercise vote by e-voting, he will not be allowed to change it subsequently or cast the vote again. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below.
- B) In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Physical Ballot Form is annexed. A member desiring to exercise vote by physical ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr. Sathish V., Scrutinizer - Physical Ballot Voting Process, KSE Limited, Solvent Road, Irinjalakuda – 680121, Thrissur Dt., Kerala so as to reach him on or before 18th September, 2015 by 5.00 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received. Kindly note that members can opt for only one mode of voting i.e., either by physical ballot or through e-voting. However, in case of Members casting their vote both by physical ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
- C) A member may participate in the general meeting even after exercising his right to vote through remote e-voting or physical ballot, but will not be entitled to cast his/her vote again. In terms of Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, for members who have not already cast their votes either by remote e-voting or physical ballot, facility to cast their vote at the meeting will be provided.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 16th September, 2015 at 9.00 a.m. and ends on 18th September, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 18th September, 2015 at 5.00 p.m.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.

- (iv) Now Enter your User ID.
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "KSE Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xviii) Note for Non - Individual Shareholders and Custodians

- Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Irinjalakuda
 23-07-2015

By Order of the Board
 For KSE Limited

REGISTERED OFFICE
 Solvent Road, Irinjalakuda – 680121
 Thrissur – KERALA.

Sd/-
 R. Sankaranarayanan
 Chief Financial Officer and
 Company Secretary

EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item 6 - Appointment of Independent Director

Mr. K.P. John (DIN: 00106897) was appointed as an independent Director of the Company in the Annual General Meeting held on 25th September, 2014 for a period of five years upto 25th September, 2019. Due to personal reasons, he resigned from that post and the Board accepted his resignation in their meeting held on 8th January, 2015. Mr. Paul John (DIN: 00601440) was appointed as an Independent Director of the Company by the Board in their meeting held on 12th February, 2015 in the casual vacancy arising out of the resignation of Mr. K.P. John, to hold office till the date the outgoing director Mr. K.P. John would have held office, if it had not been vacated, that is up to 25th September, 2019, subject to the approval of the members in the General Meeting by an ordinary resolution.

Mr. Paul John (DIN: 00601440) hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He is also engaged in cashew business. He has graduated in Civil Engineering. He has been nominated as a member of the Audit Committee and Nomination and Remuneration Committee of the Company by the Board in its meeting held on 10th March, 2015.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 along with the requisite deposit amount from a member signifying the intention to propose his candidature to the office of director of the Company.

In the opinion of the Board, Mr. Paul John (DIN: 00601440) fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the listing agreement and he is independent of the management.

Copy of the draft letter for appointment of Mr. Paul John as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges. Information about Mr. Paul John (DIN: 00601440), in accordance with clause 49 of the listing agreement is attached.

Mr. Paul John (DIN: 00601440) is interested in the resolution. None of the other directors and key managerial personnel of the Company and their relatives are concerned or interested in this resolution, financial or otherwise. Your directors commend the resolution for adoption.

Item 7 - Approval of remuneration to Cost Auditor

The Board has approved the appointment of M/s. A.R. Narayanan & Co, Cost Accountants, Cochin, (ICAI Firm Registration No. 101421), a firm of Cost Accountant in Practice, as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2016 on a remuneration of ₹ 1,75,000 plus service tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2016.

None of the directors and key managerial personnel of the Company and their relatives are concerned or interested in this resolution, financial or otherwise. Your directors commend the resolution for adoption.

Item 8 - Approval for acceptance of Deposits from Public/Members

The Company is accepting Fixed Deposits from public and members complying with the conditions laid down by Sections 73, 74(1) and 76 of the Companies Act, 2013 ("the Act") and Companies (Acceptance of Deposits) Rules, 2014 ("the Rules"). Under the Act only an eligible company is allowed to accept deposits from persons other than its Members. An eligible company has been defined in the Rules to mean a public company as referred to in subsection(1) of Section 76, having a net worth of not less than one hundred crore rupees or a turnover of not less than five hundred crore rupees and which has obtained the prior consent of the company in general meeting by means of a special resolution and also filed the said resolution with the Registrar of Companies before making any invitation to the public for acceptance of deposits. Where the deposits accepted are within the limits specified under clause (c) of sub-section (1) of Section 180, the Company may accept deposits by means of an ordinary resolution, as provided in the Rules.

The Rules provide that the invitation for deposits is valid only up to six months from the closure of the financial year in which the invitation was made or upto the date of Annual General Meeting, whichever is earlier. Afterwards, for all renewals and further acceptance of deposits fresh invitation with prior consent of the Company in general meeting is necessary as mentioned above.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution, as set out at Item No. 8 of the Notice. This Resolution enables the Board of Directors of the Company to accept/renew deposits upto the permissible limits laid down in the Rules.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice except to the extent to any deposits that they may have placed with the Company and interest payable thereon under its present Fixed Deposit Scheme.

The Board commend the Ordinary Resolution as set out at Item No. 8 of the Notice for approval by the Members.

Item 9 - Enhancement of Remuneration of Mr. P.K. Varghese, Executive Director

Mr. P.K. Varghese (DIN: 00106697), aged 69, was reappointed in the Annual General Meeting held on 31st July, 2012 as Executive Director of the Company for a period of three years from 1st November, 2012 on a remuneration with salary at ₹ 70,000 per month in the scale of ₹ 70,000-3,000-76,000 along with bonus, other perquisites and allowances. Later, in the Annual General Meeting held on 31st July, 2013 his salary was enhanced to ₹ 90,000 per month for the period from 1st August, 2013 to 31st October, 2014 and further to ₹ 93,000 per month for the period from 1st November, 2014 to 31st October, 2015. Considering the general increase in remuneration across the industry and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 25th March, 2015 decided to enhance his remuneration from 1st April, 2015 till the expiry of his present term of appointment, that is upto 31st October, 2015, in the manner as specified in the resolution under Item 9, subject to the consent of members in general meeting by ordinary resolution. Unfortunately, he passed away on 12th July, 2015. The remuneration enhanced by the Board in their meeting held on 25th March, 2015, subject to approval of the shareholders, has been paid to him with effect from 1st April, 2015.

Mr. P.K. Varghese (DIN: 00106697) joined as a Director of the Company from 29th December, 1970 and was acting as a Whole-time Director of the Company from 1st November, 1994 to 31st August, 2007. From 1st September, 2007 he was elevated as Executive Director. He hailed from a business family in Irinjalakuda renowned for running oil mills. He was having immense practical experience in oil milling. He was a graduate in Science.

Board accordingly recommends for the enhancement of remuneration of Mr. P.K. Varghese (DIN: 00106697), Executive Director of the Company from 1st April, 2015 till the date of his death on 12th July, 2015, as set out in the resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. P.K. Varghese (DIN: 00106697), to the extent of remuneration payable to him, is concerned or interested, financial or otherwise, in the above resolution.

As required under the provisions of Schedule V to the Companies Act, 2013, the following information is provided.

I	GENERAL INFORMATION		
1	Nature of Business	KSE Limited is engaged in the manufacture of compound cattle feed, extraction of oil from copra cake by solvent extraction process and refining the same to edible grade and in dairying including ice cream.	
2.	Date of commencement of commercial production	The Company was incorporated on 25.09.1963 and the commercial production was started in April, 1972.	
3.	In case of new companies, expected date of commencement of activities	NOT APPLICABLE	
4.	Financial Performance	Particulars of 2014-15	₹ in Lakhs
		Total Revenue – Sales and Other Income	90,133.16
		Profit Before Income tax	6,388.93
		Tax Expenses	2,025.52
		Net Profit after Tax	4,363.41
		Net worth	7,181.07
5.	Foreign investments or collaborations	Nil	
II	INFORMATION ABOUT APPOINTEE		
1.	Back Ground Details	As narrated above	
2.	Past Remuneration	For financial year 2014-15 - ₹16.30 lakhs	
3.	Recognition or awards	He is not a recipient of any awards at personal level. However, he had received several awards on behalf of the Company at various occasion.	
4.	Job Profile and his suitability	Overall management of the Company. Given his experience, the enhancement of remuneration to Mr. P.K. Varghese is considered well suited for the position.	
5.	Remuneration proposed	As specified in the Resolution.	
6.	Comparative remuneration profile with respect to the industry	The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in Feed Industry.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Besides the remuneration proposed to be paid to him, the details of pecuniary relationships of Mr. P.K. Varghese and his relatives and concerns in which they are interested for the year 2014-15 are: Sale of products to M/s. Surya Agencies, Irinjalakuda, in which his wife is a Partner ₹43.80 lakhs and purchase of consumables from M/s. Pokkath Auto Fuels, Irinjalakuda, in which his brother is a Partner ₹18.00 lakhs. Deposits of relatives under Fixed Deposit Scheme of the Company outstanding as on 31.03.2015 ₹2.17 lakhs and interest paid during year 2014-15 ₹0.38 lakhs.	
III	OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	Not applicable, as the Company has earned a net profit after tax of ₹4,363.41 Lakhs during the year ended 31 st March, 2015.	
2.	Steps taken or proposed to be taken for improvement	Not Applicable	
3.	Expected increase in productivity and profits in measurable terms	Not Applicable	

Mr. P.K. Varghese (DIN: 00106697) satisfies the conditions laid down in Schedule V to the Companies Act, 2013 as also conditions set out under Sub-Section 3 of Section 196 of the Act for being eligible for the enhancement of his remuneration. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges. Further information about Mr. P.K. Varghese (DIN: 00106697), in accordance with clause 49 of the listing agreement is attached.

Your directors commend the resolution for adoption.

Item 10 - Posthumous benefits to Late P.K. Varghese, Executive Director

Mr. P.K. Varghese (DIN: 00106697), aged 69, was reappointed in the Annual General Meeting held on 31st July, 2012 as Executive Director of the Company for a period of three years from 1st November, 2012 on a remuneration with salary at ₹ 70,000 per month in the scale of ₹ 70,000-3,000-76,000 along with bonus and other perquisites and allowances. Later, in the Annual General Meeting held on 31st July, 2013 his salary was enhanced to ₹ 90,000 per month for the period from 1st August, 2013 to 31st October, 2014 and further to ₹ 93,000 per month for the period from 1st November, 2014 to 31st October, 2015. Considering the general increase in remuneration across the industry and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 25th March, 2015 had decided to enhance his remuneration to ₹ 1,30,000 per month from 1st April, 2015 till the expiry of his present term of appointment, that is upto 31st October, 2015, in the manner as specified in the resolution under Item 9, subject to the consent of members in general meeting by ordinary resolution.

Mr. P.K. Varghese (DIN: 00106697) joined as a Director of the Company from 29th December, 1970 and was acting as a Whole-time Director of the Company from 1st November, 1994 to 31st August, 2007. From 1st September, 2007 he was elevated as Executive Director of the Company and he was holding that post till his death on 12th July, 2015. His active participation in the affairs of the Company and his learned and valuable advices have contributed much to the progress of the Company from the date of commencement of operations of the Company.

Board recommends the shareholders that Mrs. Marykutty Varghese, wife of Late P.K. Varghese, may be paid with three month's salary of Late P.K. Varghese as leave salary and further that the Company's car used by him may be handed over to her in consideration and as a token of appreciation of the Company for his valuable services. The amount of leave salary payable as aforesaid will be ₹ 3,90,000, if the proposed resolution is passed in the ensuing Annual General Meeting. The Car with Registration No. KL-45H-8644, which was used by him was purchased on 18.10.2012 for ₹ 16,63,170 and its written down value as on 23rd July, 2015 is ₹ 6,09,822. Shareholders may approve the above, considering the selfless services rendered by Late Mr. P.K. Varghese towards the growth and development of the Company for a long number of years (about 45 years).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

Irinjalakuda
23-07-2015

REGISTERED OFFICE
Solvent Road, Irinjalakuda – 680121
Thrissur – KERALA.

By Order of the Board
For KSE Limited

Sd/-
R. Sankaranarayanan
Chief Financial Officer and
Company Secretary

Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting

Resolution No.	Item 3	Item 4	Item 6	Item 9 & 10
Name of Directors	Mr. A.P. George (DIN: 00106808)	Mr. T.R. Ragulal (DIN: 00361070)	Mr. Paul John (DIN: 00601440)	Mr. P.K. Varghese (DIN: 00106697)
Date of Birth	19/10/1935	23/05/1962	18/03/1956	04/05/1946
Date of Appointment	25/09/1963	31/01/2002	12/02/2015	29/12/1970
Qualification	B.A., B.L.	BBA from University of Pennsylvania, USA	B.E. (Civil)	B. Sc.
Experience	He is a promoter director of the Company effective from 25.09.1963 and is acting as Director and Legal Advisor of the Company from 1.11.1994. He is also Chairman of Stakeholders Relationship Committee from 28.09.2002. By profession he is Senior Advocate of Irinjalakuda Bar. He was also Chairman of Irinjalakuda Municipality for over seven years. He is also having rich experience in oil milling through his family business.	Hails from a respectable business family of Thrissur. He is currently the Managing Director of M/s. Yamuna Roller Flour Mills Pvt. Ltd and Elite Food Pvt. Limited. He was Chairman of the Kerala State Committee of Confederation of Indian Industries during 2004-05. He is a member of the Stakeholders Relationship Committee of the Company from 28.09.2002. He is also a member of the CSR Committee from the constitution of the Committee on 06.10.2014.	He hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He is also engaged in cashew business. He is a Director in KPL Oil Mills Pvt. Ltd., a leading oil milling unit located at Irinjalakuda. He has been nominated as a member of the Audit Committee and Nomination and Remuneration Committee of the Company by the Board in its meeting held on 10 th March, 2015.	He joined as a Director of the Company from 29 th December, 1970 and was acting as a Whole-time Director of the Company from 1 st November, 1994 to 31 st August, 2007. From 1 st September, 2007 he has been elevated as Executive Director and he was holding that post till his death on 12.07.2015. He belonged to a business family in Irinjalakuda renowned for running oil mills. He had immense practical experience in oil milling.
Directorships held in other Public Limited companies	Director in Catholic Union Chitties Ltd. (CIN: U65992KL1929PLC000191)	Nil	Nil	Nil
Memberships / Chairmanships of committees of other Public Limited companies	Nil	Nil	Nil	Nil
Number of shares held in the Company as on 31.03.2015	58,581	29,208	4,400	10,093

BOARD'S REPORT

Your Directors are pleased to present the 51st Annual Report and the audited accounts for the financial year ended 31st March 2015

Financial Highlights

	Year ended 31.03.2015 ₹ in lakhs		Year ended 31.03.2014 ₹ in lakhs	
Profit before Finance costs, Depreciation and amortisation expenses and Tax expenses		6,173.90		2,956.30
Less : Finance costs	194.49		236.66	
Depreciation and amortisation expenses	<u>636.19</u>	830.68	<u>375.77</u>	612.43
Profit before exceptional items and tax		5,343.22		2,343.87
Add : Exceptional item - Profit on sale of landed property at Mysore		1,045.71		—
Profit before tax		6,388.93		2,343.87
Less : Tax expenses		2,025.52		806.51
Profit after tax for the current year		4,363.41		1,537.36
Add : Opening balance of Surplus		339.70		251.11
Sub-Total		4,703.11		1,788.47
Less : Appropriations				
Transition Adjustment relating to fixed assets	118.20		—	
Transfer to General Reserve	1,700.00		700.00	
Interim Equity dividend	960.00		—	
Proposed dividend	640.00		640.00	
Dividend distribution tax	322.23	3,740.43	108.77	1,448.77
Closing balance of Surplus		962.68		339.70

Dividend

Considering the profits for the current year, your Directors recommend a dividend of 500 % (₹ 50.00 per share of ₹ 10 each) for the year ended 31st March, 2015, including the interim dividends declared by the Board of Directors of the Company on 12th February, 2015 and 25th March, 2015 aggregating to ₹ 30 per equity share of ₹ 10 each, absorbing a total amount of ₹ 19,22,23,248 (including dividend distribution tax and cess thereon). The final dividend of ₹ 20 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30th May, 2015, if approved at the ensuing annual general meeting, will be paid to those shareholders, whose names appear in the Company's register of members as on 19th September, 2015. In respect of equity shares held in dematerialised form, the final dividend will be paid to those beneficial owners of the equity shares as at the end of business hours on 31st August, 2015 as per the details furnished by the depositories for this purpose."

The dividend payout for the year 2014-15 has been decided in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met out of internal cash accruals.

Unpaid Dividend

Pursuant to Section 124 and 125 of Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend upto and including for the financial year 2006-07 on due date to the Investor Education and Protection Fund administered by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on September 25, 2014 (date of last Annual General Meeting) on the website of the Company (<http://www.kselimited.com/investordetails.aspx>), as also on the website of the Ministry of Corporate Affairs.

We give below a table providing the dates of declaration of Dividend since 2007-08 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government.

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Unclaimed amount as on 31st March 2015	Due date for Transfer to Investor Education and Protection Fund
2007-08 (Final Dividend)	28 August, 2008	27 August, 2015	230038	27 September, 2015
2008-09 (Final Dividend)	27 August, 2009	26 August, 2016	392140	26 September, 2016
2009-10 (Final Dividend)	29 July, 2010	28 July, 2017	621690	28 August, 2017
2010-11 (Final Dividend)	28 July, 2011	27 July, 2018	639330	27 August, 2018
2011-12 (Final Dividend)	31 July, 2012	30 July, 2019	798446	30 August, 2019
2012-13 (Final Dividend)	31 July, 2013	30 July, 2020	825250	30 August, 2020
2013-14 (Final Dividend)	25 September, 2014	24 September, 2021	1934240	25 October, 2021
2014-15 (Interim Dividend)	12 February, 2015	11 February, 2022	1976870	14 March, 2022
2014-15 (Interim Dividend)	25 March, 2015	24 March, 2022	64000000 *	24 April, 2022

* Interim dividend declared on 25th March 2015 and subsequently distributed in April 2015.

Transfer to Reserves

The Company proposes to transfer ₹ 17.00 crore to the General Reserve out of amount available for appropriations and an amount of ₹ 962.68 lakhs is proposed to be retained as Surplus.

Operating Results and Business Operations

The over-all profit after tax is ₹ 4,363.41 lakhs in year 2014-15 compared to ₹ 1537.36 lakhs in the previous year. The turnover of the Company improved by 12 % from ₹ 806 crores to ₹ 900 crores during the year ended 31st March, 2015.

Year 2014-15 was a favourable year for the Company. The cost of ingredients for the animal feed was steady throughout the year and there was no call for disturbing the selling prices of the feed. This has incidentally helped us to improve the sales volume of animal feed from 4.01 lakh tons to 4.40 lakh tons during the year 2014-15. The profit of the animal division also moved to ₹ 2,580.57 lakhs from the previous year figure of ₹ 1,701.50 lakhs.

In the cake processing division the copra cake was available at reasonable rates, and the selling price of coconut oil was above ₹ 120 per kg. through out the year. This has also helped us to improve the volume of cake processed from 64,000 tons in the previous year to 68,500 tons in the year under report. The cake processing division reported in the year 2014-15 a profit of ₹ 2,956.03 lakhs compared to a profit of ₹ 784.44 lakhs in the previous year.

In the Dairy division, followed with a volume increase of 14 % in the previous year, the volume of sale of ice cream was flat at 1088 kl. against 1125 kl. in the previous year. The profit of Dairy division was seriously affected by the erosion of margin provided to us by the difference in milk procurement price in Tamil Nadu and the selling price of milk in Kerala. Dairy division reported a profit of ₹ 19.98 lakhs compared to previous year figure of ₹ 159.69 lakhs. The situation in Dairy division is likely to continue grim in the next year also unless there is upward correction in the selling price of milk in Kerala.

Since April, 2015, the ingredient prices are going up. We are having sustained demand for our cattle feed and are hopeful of suitable correction of selling price in tune with ingredient prices. We do not expect further reduction in the cost of cattle feed ingredients in the immediate future. We firmly believe that the sales volume of cattle feed will further improve in the current financial year. We expect to better our performance in Animal feed division, by optimising the feed formulation and making suitable adjustments in the selling prices to match the ingredient prices.

In the current year 2015-16 arrival of local copra cake has improved and it is available in sufficient quantity at reasonable price. Indonesian and Philippine copra cake is also available at competitive rates as per requirement. As such we do not expect any shortage of supply of copra cake. The market price of coconut oil is above ₹ 130/kg. which is encouraging. If the price of coconut oil continues at this level, our margins on cake processing will improve and we are hopeful of a repetition of performance in Cake Processing Division.

We are taking all steps to widen the market for ice cream by appointing new dealers in untapped areas to improve the volume of sales and thereby utilise more of the unused production capacity. In the current year we have allocated additional funds for promotion of Vesta Ice Cream. We expect to improve the volume of sale of ice cream and thereby better the margins of Dairy division.

More information relating to the operations of the Company has been furnished in the Management Discussion and Analysis Report attached to and forming part of this Report as provided under Clause 49 of the Listing Agreement.

Awards and Recognitions

The Company has won the SEA Award constituted by Solvent Extractors' Association of India for highest processor of coconut oil cake for the year 2013-14. This Award is being received by the Company for the past 24 years consecutively since the inception of the award.

Number of meetings of the Board

Thirteen meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

Directors and Key Managerial Personnel

Mr. K.P. John, Dr. Jose Paul Thaliyath, Mr. Joseph Xavier and Mrs. Sathi A. Menon were appointed as Independent Directors of the Company, in the Annual General Meeting held on 25th September, 2014, as per Section 149 of Companies Act, 2013, and hence are not liable for retirement by rotation. Due to ill-health, Mr. K.P. John, who was a member in the Board of your Company from 15.04.1969, resigned from the directorship effective from 08.01.2015. The Board place on record its deep appreciation for the valuable contribution made by him in the growth of the Company, during his long association as a director with the Company.

In the casual vacancy arising on the resignation of Mr. K.P. John, the Board has appointed Mr. Paul John (DIN: 00601440) as an Independent Director on 12.02.2015. Proposal for his appointment as an Independent Director of the Company to hold the office till the date the outgoing Director Mr. K.P. John would have held office, if it had not been vacated (that is upto 25.09.2019), is placed before the members for their approval.

The Company has received declarations from all the independent directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and as per Clause 49 of the Listing Agreement.

Mr. A.P. George and Mr. T.R. Ragulal will retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Mr. M.C. Paul, Managing Director, Mr. P.K. Varghese, Executive Director and Mr. R. Sankaranarayanan, Chief Financial Officer and Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Policy on directors' appointment and remuneration and other details

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its managing director and the executive director. During the year 2014-15, the Company paid sitting fees of ₹ 7,000 per meeting upto 6th October, 2014 and thereafter at ₹ 10,000 per meeting to its non-executive directors for attending meetings of the board. Further, the Company also paid ₹ 3,500 per meeting upto 6th October, 2014 and thereafter at ₹ 5,000 per meeting of committees of the board. The Nomination and Remuneration Policy for the Members of Board and Executive Management is attached to this report as "Annexure A" which forms part of the Board's Report.

Evaluation of Board, Committees and Individual Directors

The Company has devised a Policy for performance evaluation of Independent and other directors, Board as a whole and Committees thereof which include criteria for performance evaluation of the executive and non-executive directors. The Policy for evaluation of performance of the Board of Directors are attached to this report as "Annexure B" which forms part of the Board's Report.

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board during the financial year ended 31st March, 2015. The evaluation was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation. Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors. Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

A separate meeting of the independent directors was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman.

Internal financial control systems and their adequacy

The Company has in place adequate internal financial controls with reference to the financial statements. Such controls were tested annually and during the year no reportable material weakness in the design or operation were observed. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms part of this report.

Risk Management

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans. The Board members are informed about the risk assessment and minimization procedures. The Board is responsible for framing, implementing and monitoring the risk management plan for the company. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviours together govern the business of the Company and manage associated risks.

There are no risks which in the opinion of the Board threaten the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

Vigil Mechanism

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report. The "KSEL Whistle Blower Policy and Vigil Mechanism" can be accessed on the Company's website at the link : <http://kselimited.com/whistleblower.aspx>.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2015 and of the profit of the Company for the financial year ended 31st March, 2015;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Corporate Governance

Corporate Governance Report, Management Discussion and Analysis Report and Certificate from Auditors on Corporate Governance have been furnished separately and form part of this report. The disclosures made in these reports may be considered as compliance of various disclosures prescribed under the Companies Act, 2013 and Rules made thereunder.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee has been formed in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 by the Board on its meeting held on 6th October, 2014. There are four members to the Committee. Dr. K.C. Vijayaraghavan is the chairman of the Committee. Mr. Joseph Xavier, Independent Director and Mr. John Francis K and Mr. T.R. Ragulal, Non-executive Directors are the other members of the Committee. The Committee's terms of reference includes the following:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to above;
- monitor the CSR Policy of the Company from time to time;
- prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes / activities proposed to be undertaken by the Company; and
- such other activities as the Board of Directors may determine from time to time.

During the year ended 31st March, 2015, the Committee met once on 30th December, 2014 and all members, except Mr. T.R. Ragulal, were present at the meeting. The Annual Report on CSR activities for the year ended 31st March, 2015 is given separately as "Annexure C", forming part of this Report.

Public Deposits

Your Company is accepting deposits within the meaning of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. The details relating to such deposits as provided under Rule 8 of the Companies (Accounts) Rules, 2014 are provided in "Annexure D".

The Company is not accepting any other deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

Particulars of loans, guarantees and Investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Transactions with related parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Full disclosure of related party transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given under Note No. 29.9 of Notes to the Annual Accounts.

The policy and procedures on related party transaction as approved by the Board may be accessed on the Company's website at the link: <http://kselimited.com/transactionpolicy.aspx>. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in "Annexure E" in Form AOC-2 and the same forms part of this report.

Extract of annual return

As provided under Section 92(3) of the Act, the extract of annual return is given in "Annexure F" in the prescribed Form MGT-9, which forms part of this report.

Statutory Auditors

M/s. Varma & Varma, Chartered Accountants have been appointed as Auditors of the Company in the annual general meeting held on 25th September, 2014 for a period of three years till the conclusion of 53rd annual general meeting to be held in financial year 2017, subject to ratification of their appointment at every annual general meeting. The Auditors' Report for the financial year 2014-15, does not contain any qualification, reservation or adverse remark.

Cost Auditors

With the prior approval of Central Government, M/s. A. R. Narayanan & Co., Cost Accountants, Ernakulam have been appointed as Cost Auditors for the financial year 2014-15 and they will be submitting their Cost Audit Report with in the time limit stipulated.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed CS. Sathish V., Practicing Company Secretary to conduct the Secretarial Audit of your Company for the financial year ended 31st March, 2015. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith as "Annexure G" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace. During the financial year 2014-15, the Company has not received any complaints on sexual harassment and no complaints remain pending as of 31st March, 2015.

Disclosure relating to Remuneration of Directors, Key Managerial Personnel and particulars of employees

The information required under section 197 of the Act and rules made there-under, in respect of employees of the Company, is provided in "Annexure H" forming part of this report. None of the employees are in receipt of remuneration in excess of the limits specified under clause (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in an "Annexure I" to this Report.

Other Disclosures

No disclosure is made in respect of the following items as there were no events during the year calling for reporting on these items:

1. There was no issue of equity shares with differential rights as to dividend, voting or otherwise.
2. There was no issue of shares (including sweat equity shares and ESOP) to employees of the Company under any scheme.
3. Your Company do not have any subsidiary, associate, joint venture company or holding company and disclosures required in that respect were not dealt with.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. No frauds have been reported by auditors to the Audit Committee or Board under sub-section (12) of section 143 of the Companies Act, 2013.
6. There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year under report and the date of this report.

Acknowledgement

Your Directors wish to place on record their sincere appreciation for the assistance and co-operation received from shareholders, bankers, especially ICICI Bank, Registrars and Share Transfer Agents, customers, distributors and suppliers. Board also acknowledge the valuable committed services of the executives, staff and workers of the Company.

Irinjalakuda
May 30, 2015

By Order of the Board

Sd/-

Dr. Jose Paul Thaliyath
(DIN : 01773031)
Chairman

“ANNEXURE A” TO BOARD’S REPORT

NOMINATION AND REMUNERATION POLICY FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

(As approved by the Board of Directors in their meeting held on 12th February, 2015)

1. Preamble

- 1.1 The Remuneration Policy of KSE Limited (the “Company”) is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and teamwork, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.
- 1.2 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “Executives”).

2. Definitions

- 2.1 Key Managerial Personnel: Key Managerial Personnel means—
 - (i) Chief Executive Officer or the managing director or the manager;
 - (ii) Company Secretary,
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer; and
 - (v) Such other officer as may be prescribed under the Companies Act, 2013
- 2.2 Senior Management : The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

3. Objectives

- 3.1 The main objective of this Policy is constitution of the Nomination and Remuneration Committee and align its functions in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.
- 3.2 The Key Objectives of the Committee would be:
 - 3.2.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
 - 3.2.2 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
 - 3.2.3 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 3.3 Key Objectives of the Policy would be
 - 3.3.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.
 - 3.3.2 The remuneration policy seeks to enable the company to provide a balanced and performance-related compensation package, taking into account interests of shareholders, industry standards and relevant Indian corporate regulations.
 - 3.3.3 The remuneration policy will ensure that the interests of Board members and Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the “pay-for-performance” principle.
 - 3.3.4 The remuneration policy will ensure that remuneration to Directors and Executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

4. Principles of remuneration

- 4.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be designed in a manner that is consistent with, supports and reinforces the achievement of the Company’s vision and strategy.
- 4.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

- 4.3 Internal equity: The Company shall remunerate the board members and the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative status in relation to other positions within the Company.
- 4.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.
- 4.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 4.6 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

5. **Nomination and Remuneration Committee**

- 5.1 The Remuneration Committee of the Board of Directors shall be re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- 5.2 The Committee shall be responsible for
 - 5.2.1 Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc. for Executives and reviewing it on a periodic basis;
 - 5.2.2 Formulating criteria for evaluation of Independent Directors and the Board.
 - 5.2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director.
 - 5.2.3 Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.
 - 5.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 5.3 The Committee shall:
 - 5.3.1 Review the ongoing appropriateness and relevance of the remuneration policy;
 - 5.3.2 Ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
 - 5.3.3 Obtain reliable, up-to-date information about remuneration in other companies;
 - 5.3.4 Ensure that no director or Executive is involved in any decisions as to their own remuneration.

6. **Selection and appointment of the Board Members**

The Committee shall follow the criteria for membership in the Board

- 6.1 The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required for the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.
- 6.2 In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics and social perspective, educational and professional background and personal achievements.
- 6.3 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- 6.4 The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

7. **Procedure for selection and appointment of Executives other than Board Members**

- 7.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- 7.2 The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, and on the human resources market;

- 7.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- 7.4 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;
- 7.5 Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Management Committee and Board of Directors;
- 7.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

8. **Compensation Structure**

8.1 Remuneration to Non-Executive Directors:

- 8.1.1 The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees, except legal adviser who is a member of the Board and is being paid professional fee in his professional capacity. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and for attending the Committees thereof will be fixed by the Board from time to time within the limits prescribed under the Companies Act, 2013. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration.

- 8.1.2 The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

8.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) and Senior Management Personnel (s) (SMPs):

- 8.2.1 The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment and revision has to be approved by the Board but subsequent annual increments shall be approved by the Managing Director of the Company as per the HR policy of the Company.

- 8.2.2 Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The remuneration of MD/WTDs, KMPs and SMPs comprises of salary, bonus, perquisites and also retirement benefits like P.F., Gratuity, etc. as per Rules of the Company.

- 8.2.3 Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance - oriented environment and reward achievement of meaningful targets over the short and long -term.

- 8.2.4 The MD/WTDs, KMPs and SMPs are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. as per the Rules of the Company.

- 8.3 As a policy, the Executive Directors are not paid sitting fee.

9. **Approval and publication**

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be hosted on the Company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

10. **Supplementary provisions**

- 10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- 10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the State or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant State laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

“ANNEXURE B” TO BOARD’S REPORT

POLICY FOR EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS OF KSE LIMITED

(Effective from 26th March, 2015)

1. INTRODUCTION:

In an endeavor to safeguard the interest of public at large, the Companies Act, 2013 ('Act') provides that the performance of the board of directors of listed companies and prescribed class of companies must be reviewed regularly against appropriate criteria. For this purpose, the Nomination and Remuneration Committee of a company is required under Section 178 of the Act to formulate a policy for recommending it to the Board of directors of the company, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Based on such performance evaluation, remuneration of executive directors shall be determined. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

This policy aims at establishing a procedure for conducting periodical evaluation of directors' performance and formulating the criteria for determining qualification, positive attribute and independence of each and every director of the Company in order to effectively determine issues relating to remuneration of every director, key managerial personnel and other employees of the Company. This policy further aims at ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties.

For this purpose, the Nomination and Remuneration Committee shall be responsible to identify the persons who are qualified to become directors and who may be appointed in the senior management of the Company and recommend to the Board their appointment and removal.

In addition, the Nomination and Remuneration Committee shall carry out the evaluation of performance of every director in accordance with the criteria contained herein.

Therefore, the Company has made this policy to comply with various provisions under the clause 49 of the Listing Agreement entered into by the Company and Stock Exchanges in India as per the SEBI Regulations published vide its Circular No. CIR / CFD / POLICY CELL / 2 / 2014 dated April 17, 2014 as amended and published vide its Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 and also the formal annual evaluation made by the Board of Directors of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013. The Nomination & Remuneration Committee shall evaluate the performance of the each of the Directors of the Board as per subsection (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made there under.

The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

2. DEFINITIONS:

- A. "the Act": The Act shall mean The Companies Act, 2013;
- B. "the Company": The Company shall mean KSE Limited.
- C. "the Board of Directors" or "the Board": The Board of Directors or the Board, in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
- D. "the Independent Director": The Independent Director shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (5) of the Act.
- E. "the Policy" or "this Policy": The policy or This Policy shall mean the Policy for Evaluation of performance of Board of Directors of the Company.
- F. "the Committee" or "this Committee": The Committee or This Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

3. OBJECTIVE:

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

4. PERFORMANCE EVALUATION:

This appraisal by the Committee to be carried out under the provisions of Section 178 of the Companies Act, 2013, shall be based on the criteria as mentioned in clause 5 below.

5. CRITERIA FOR EVALUATION:

A: APPRAISAL SYSTEM

CRITERIA FOR PERFORMANCE EVALUATION

Criteria	Sub-Criteria for Performance Evaluation	Rating
Based on Job Profile	1. Knowledge of the Job Profile 2. Skills required to perform or to execute the job profile	
Based on Responsibilities and Obligations	1. Attendance and participations in the Meetings 2. Expert opinions in respect of the serious issues	
Based on Strategies	1. Strategies formulated and successfully implemented 2. Various directions provided in the best interest of the Company on key issues	
Based on Performance Management	1. Financial Performance 2. Performance of the Company on the Stock Exchanges 3. Achievement of Award	
Based on Risk Management	1. Avoidance of High Financial Risk while executing the functions and duties 2. Avoidance from any other high risk	
Based on Talent Management	1. Achievement in respect of Successful Negotiations 2. The level of Talent retained at Low, Mid and Top Level	
Based on core governance and compliance management	1. Review of Detailed Compliances applicable under the various Laws, Rules & Regulations 2. Reviewing Whether the Business is running Legally or not	
Based on Annual Targets	1. Targets achieved in Turnover 2. Targets achieved in Manufacturing Activity	
Based on Expansion & Diversification	1. New successfully executed Business Expansions 2. New successfully executed Business Diversifications	
Based on conflict of Interest Management	1. Strategy to resolve the conflict of interest in other Directors 2. Strategy to resolve the conflict of interest in other Employees	
Financial and Operational Control Mechanism	1. Control on Financial Dealings 2. Control on internal Operational Activities	
Corporate culture and Moral values	1. Initiative to maintaining Corporate Culture of the Company 2. Initiative to maintaining Moral Values of the Company	
Integrity and Ethics	1. Initiative to maintaining High level of Integrity 2. Initiative to maintaining High level of Ethics	
Compliance with Code of conduct	1. Functioning of Duties and Responsibilities as per the Code of Conduct for Directors 2. Abidance and behavior in accordance with Code of Conduct for Directors	
General Knowledge and Skill	1. Knowledge about compound animal feed industry 2. Skill and knowledge required for the compound animal feed industry 3. Communication skill and quick responsiveness.	

RATING SCALE

Scale	Performance	Scale	Performance	Scale	Performance
5	Exceptionally Good	4	Good	3	Satisfactory
2	Need Improvement	1	Unacceptable		

B. EVALUATION OF THE PERFORMANCE:

The Committee shall evaluate the performance of each member of the Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code for Independent Directors.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria.

C. EFFECTIVENESS OF THE BOARD:

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

6. EVALUATION OF PERFORMANCE OF BOARD MEMBERS:

The evaluation of performance of Board Members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Nomination and Remuneration Committee for performance evaluation in the Board's Report.

The Independent Directors in their separate meeting shall evaluate the performance of non-independent directors (executive and non-executive).

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Non-Independent Directors of the Company except the Director getting evaluated.

The evaluation procedure shall be as per clauses 7 and 8 below.

7. CRITERIA FOR ANNUAL EVALUATION OF PERFORMANCE:

The following criteria are laid down for evaluation of performance of Independent Directors and the non-independent directors.

1. Attendance and contribution at Board and Committee meetings
2. His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of seriousness and thoughtfulness and understanding of business, strategic direction to align company's value and standards.
3. His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and morality.
7. Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His/her contribution to enhance overall brand image of the Company.

8. PROCEDURE TO RATE THE PERFORMANCE:

Based on evaluation criteria, the Board shall rate the performance of the each and every Director.

The performance rating shall be given within minimum 1 and maximum 5 categories, the rating 1 being least effective and 5 being most effective. Based on the rating of performance, the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the stakeholders of the Company.

9. REVIEW

Subject to the approval of Board of Directors, the “Nomination and Remuneration Committee” reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee, subsequently ratified by the Board.

10. DISCLOSURE

In accordance with the requirement under the Companies Act, 2013, and Rules made thereunder and Listing Agreement, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors.

BOARD MEMBER FEEDBACK

Name of the Director

being evaluated :

Sl. No.	Points of evaluation	Rating
1	Participation and attendance in Board and Committee Meetings actively and consistently	
2	Prepares adequately for Board and Committee Meetings	
3	Contributes to strategy and other areas impacting company's performance	
4	Brings his/her experience and credibility to bear on the critical areas of performance of the organization	
5	Keeps updated knowledge of his/her areas of expertise and other important areas	
6	Communicates in open and constructive manner	
7	Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented	
8	Helps to create brand image of the Company and helps the company wherever possible to resolve issues, if any	
9	Actively contributes toward positive growth of the Company	
10	Conduct himself /herself in a manner that is ethical and consistent with the laws of the land	
	Total Rating	

RATING SCALE		Note: Total Rating Ratio 45 and above – Excellent, between 35 to 44 – Very good, between 30 to 34 – Good, between 20 to 29 – Satisfactory & Less than 20 – Unsatisfactory.
5	Exceptionally Good	
4	Good	
3	Satisfactory	
2	Needs Improvement	
1	Unacceptable	

Evaluated by :

Signature :

Date :

“ANNEXURE C” TO BOARD’S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR YEAR ENDED 31ST MARCH, 2015

- 1 Brief outline of CSR Policy of KSE Limited
The CSR Policy of KSE Limited incorporates the company’s philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility. Under the Policy, the Company is committed to spend in every financial year at least 2% of its average net profits for the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Companies Act, 2013. The CSR Policy of the Company can be accessed in the Company’s website “www.kselimited.com” under Investor Relations.
- 2 Composition of CSR Committee
The Corporate Social Responsibility (CSR) Committee has been formed in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 by the Board on its meeting held on 6th October, 2014. There are four members to the Committee. Dr. K.C. Vijayaraghavan is the chairman of the Committee. Mr. Joseph Xavier, Independent Director and Mr. John Francis K and Mr. T.R. Ragulal, Non-executive Directors are the other members of the Committee.
- 3 Average net profit of the Company for the last three financial years
₹ 1528.79 lakhs
(Average profit for financial years 2011-12, 2012-13 and 2013-14)
- 4 Prescribed CSR Expenditure
₹ 30.58 lakhs (2% of the above)
- 5 Details of CSR spent during the financial year
 - (a) Total amount to be spent
₹ 30.58 lakhs
 - (b) Amount unspent
Nil (Total amount spent under CSR for the financial year 2014-15 is ₹ 30.85 lakhs)
 - (c) Manner in which the amount was spent

(1)	Serial Number	1	2	3
(2)	CSR activity identified	Providing Two Dialysis Machines and one Medical RO Plant for dialysis to Sacred Heart Mission Hospital, Pullur, Irinjalakuda	Renovation work of public pond behind Koodalmanikyam Temple, Irinjalakuda	Providing 26 nos. Hospital Beds to the Department of Pediatrics, Government Medical College, Thrissur
(3)	Sector in which the activity is covered	Promotion of Health Care	Conservation of natural resources and maintaining quality of water	Promotion of Health Care
(4)	Area/locality where the project is undertaken	Local in Irinjalakuda	Local in Irinjalakuda	Local In Thrissur District
(5)	Amount outlay (₹ in lakhs) (on each programs)	14.80	15.50	0.55
(6)	Amount spent (₹ in lakhs) (direct expenditure on each program)	14.80	15.50	0.55
(7)	Cumulative Expenditure upto reporting period (₹ in lakhs)	14.80	15.50	0.55
(8)	Amount Spent (₹ in lakhs)	14.80	15.50	0.55

CSR Committee hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

For KSE Limited
Sd/-

M.C. Paul,
(DIN : 00105776)
Managing Director

For KSE Limited
Sd/-

Dr. K.C. Vijayaraghavan, Director
(DIN : 00111953)
(Chairman, CSR Committee)

Place : Irinjalakuda
Date : 30.05.2015

“ANNEXURE D” TO BOARD’S REPORT

DETAILS OF DEPOSITS ACCEPTED UNDER CHAPTER V

(a)	Deposits accepted during the year	₹ 291.90 lakhs
(b)	Deposits remained unpaid or unclaimed as at the end of the year	Nil
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-	No
	(i) at the beginning of the year	Nil
	(ii) maximum during the year	Nil
	(iii) at the end of the year	Nil
(d)	Deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

“ANNEXURE E” TO BOARD’S REPORT

FORM AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms’ length transactions under third proviso thereto

1.	Details of contracts or arrangements or transactions not at arm’s length basis: (a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts / arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Justification for entering into such contracts or arrangements or transactions (f) date(s) of approval by the Board (g) Amount paid as advances, if any (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	NA
2.	Details of material contracts or arrangement or transactions at arm’s length basis: (a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts/arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Date(s) of approval by the Board, if any (f) Amount paid as advances, if any	Nil

By Order of the Board

Sd/-

Dr. Jose Paul Thaliyath
(DIN : 01773031)
Chairman

Irinjalakuda
May 30, 2015

“ANNEXURE F” TO BOARD’S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15331KL1963PLC002028
2.	Registration Date	25/09/1963
3.	Name of the Company	KSE LIMITED
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	KSE LIMITED P.B. NO. 20, Solvent Road, Irinjalakuda, Thrissur India – 680121, Telephone – 0480 2825476 Fax – 0480 2826075, Email – ksekerala@gmail.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. S.K.D.C. Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore – 641006 Telephone – 0422 6549995, 2539835-836 Fax – 0422 2539837, Email – info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cattlefeed manufacturing	108 – Manufacture of Prepared Animal Feeds	82.15%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
There are no Holding, Subsidiary or Associate Companies as on 31.03.2015					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	858600	188010	1046610	32.707	867274	156090	1023364	31.980	-0.727
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	858600	188010	1046610	32.707	867274	156090	1023364	31.980	-0.727
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	858600	188010	1046610	32.707	867274	156090	1023364	31.980	-0.727
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	593837	8800	602637	18.832	595150	8800	603950	18.873	0.041
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	493380	796823	1290203	40.319	570305	745243	1315548	41.111	0.792
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	150692	84740	235432	7.357	139828	84740	224568	7.018	-0.339
c) Others (specify)									
Non Resident Indians	13381	1400	14781	0.462	17123	1400	18523	0.579	0.117
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2493	-	2493	0.078	3326	-	3326	0.104	0.026
Hindu Undivided Families	7844	-	7844	0.245	8838	-	8838	0.276	0.031

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trusts	-	-	-	-	1883	-	1883	0.059	0.059
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1261627	891763	2153390	67.293	1336453	840183	2176636	68.020	0.727
Total Public Shareholding (B)=(B)(1) + (B)(2)	1261627	891763	2153390	67.293	1336453	840183	2176636	68.020	0.727
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2120227	1079773	3200000	100.00	2203727	996273	3200000	100.00	0.00

B) Shareholding of Promoters-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share-holding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	A G REENA	8000.00	0.250	0.00	8000.00	0.250	0.00	0.000
2	A K JOSE	800.00	0.025	0.00	800.00	0.025	0.00	0.000
3	A O ROSY	1600.00	0.050	0.00	1600.00	0.050	0.00	0.000
4	A P PAUL	4300.00	0.134	0.00	4300.00	0.134	0.00	0.000
5	ALICE GEORGE	8700.00	0.272	0.00	8700.00	0.272	0.00	0.000
6	ALLU P ANTO	200.00	0.006	0.00	200.00	0.006	0.00	0.000
7	ANIL KUMAR K C	20000.00	0.625	0.00	20000.00	0.625	0.00	0.000
8	ANISH P ANTO	900.00	0.028	0.00	900.00	0.028	0.00	0.000
9	ANNA JOSE	3000.00	0.093	0.00	7500.00	0.234	0.00	0.141
10	ANNIE JOSEPH	2000.00	0.063	0.00	1000.00	0.031	0.00	-0.032
11	ANNIE PAUL	16000.00	0.500	0.00	3985.00	0.125	0.00	-0.375
12	ANTO PD.	2800.00	0.088	0.00	10200.00	0.319	0.00	0.231
13	ANTONY A G	5400.00	0.169	0.00	5400.00	0.169	0.00	0.000
14	ANTONY JOHN	4500.00	0.141	0.00	4500.00	0.141	0.00	0.000
15	ANU MARIA FRANCIS	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000
16	BASTIAN DEVASSY	1200.00	0.038	0.00	1200.00	0.038	0.00	0.000
17	BEENA JOHN	12260.00	0.383	0.00	12260.00	0.383	0.00	0.000
18	BEENA KAILASHNATHAN	12700.00	0.397	0.00	13700.00	0.428	0.00	0.031
19	BINUVANN FRANCIS	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000
20	DAISY JOSE	11900.00	0.372	0.00	11900.00	0.372	0.00	0.000
21	DEEPA FRANCIS	3100.00	0.097	0.00	3100.00	0.097	0.00	0.000
22	DONY A G	11580.00	0.362	0.00	11580.00	0.362	0.00	0.000
23	DR FRANCIS ALAPPAT	500.00	0.016	0.00	500.00	0.016	0.00	0.000
24	ELIAMMA JOSE	100.00	0.003	0.00	100.00	0.003	0.00	0.000
25	ELIKUTTY CHAKKUNNY	400.00	0.013	0.00	400.00	0.013	0.00	0.000
26	EPHRAIM JOHN K	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share-holding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
27	ESTA JACKSON	22100.00	0.691	0.00	22100.00	0.691	0.00	0.000
28	FR JOSE AKKARAKKARAN	8160.00	0.255	0.00	8160.00	0.255	0.00	0.000
29	FRANCIS JOHN	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000
30	GAYATHRI VIJAYARAGHAVAN	824.00	0.026	0.00	824.00	0.026	0.00	0.000
31	GEETHA PAUL	3800.00	0.119	0.00	3800.00	0.119	0.00	0.000
32	GEORGE A P	58561.00	1.830	0.00	58581.00	1.831	0.00	0.001
33	GEORGE THERATTIL	900.00	0.028	0.00	900.00	0.028	0.00	0.000
34	GITA SEBASTIAN	1500.00	0.047	0.00	1500.00	0.047	0.00	0.000
35	HONEY ROY	1800.00	0.056	0.00	1800.00	0.056	0.00	0.000
36	JACKSON M P	6600.00	0.206	0.00	6600.00	0.206	0.00	0.000
37	JOHN FRANCIS	18120.00	0.566	0.00	18120.00	0.566	0.00	0.000
38	JOHN K P	10260.00	0.321	0.00	10260.00	0.321	0.00	0.000
39	JOHNSON M C	946.00	0.030	0.00	500.00	0.016	0.00	-0.014
40	JOHNSON P D	13600.00	0.425	0.00	13900.00	0.434	0.00	0.009
41	JOJO THOMAS K	1600.00	0.050	0.00	1600.00	0.050	0.00	0.000
42	JOSE JOHN	4500.00	0.140	0.00	0.00	0.000	0.00	-0.140
43	JOSE P V	100.00	0.003	0.00	100.00	0.003	0.00	0.000
44	JOSE PAUL THALIYATH	27117.00	0.847	0.00	27117.00	0.847	0.00	0.000
45	JOSEPH XAVIER	17288.00	0.540	0.00	18597.00	0.581	0.00	0.041
46	K C SASIDHARAN	100.00	0.003	0.00	100.00	0.003	0.00	0.000
47	K C VIJAYARAGHAVAN	45795.00	1.431	0.00	46000.00	1.438	0.00	0.007
48	K J JOSEPH	4300.00	0.134	0.00	4300.00	0.134	0.00	0.000
49	K SEBASTIAN JOHN	5300.00	0.166	0.00	5300.00	0.166	0.00	0.000
50	KOLLARA CHATHUNNY PYARELAL	21774.00	0.680	0.00	23157.00	0.724	0.00	0.044
51	LATHA VENUGOPAL	200.00	0.006	0.00	200.00	0.006	0.00	0.000
52	LATHIKA VIJAYARAGHAVAN	15300.00	0.478	0.00	15300.00	0.478	0.00	0.000
53	LEELA JOHN	1300.00	0.041	0.00	1300.00	0.041	0.00	0.000
54	LEERA JEEJO	4000.00	0.125	0.00	4000.00	0.125	0.00	0.000
55	LINETTA EPHRAIM	3100.00	0.097	0.00	3100.00	0.097	0.00	0.000
56	LISSY DAVIS	2200.00	0.069	0.00	2200.00	0.069	0.00	0.000
57	M C JOHNSON	5000.00	0.156	0.00	5000.00	0.156	0.00	0.000
58	M P BRIGHT	6500.00	0.203	0.00	6500.00	0.203	0.00	0.000
59	M V RITAMMA	12100.00	0.378	0.00	12100.00	0.378	0.00	0.000
60	M C PAUL	37238.00	1.164	0.00	37238.00	1.164	0.00	0.000
61	M P GIGI	11720.00	0.366	0.00	6500.00	0.203	0.00	-0.163
62	MARIAMMA ANTO	17500.00	0.547	0.00	10500.00	0.328	0.00	-0.219
63	MARIAMMA FRANCIS	5100.00	0.159	0.00	5100.00	0.159	0.00	0.000
64	MARINA VINCENT	5523.00	0.173	0.00	3656.00	0.114	0.00	-0.059
65	MARY PAUL	2300.00	0.072	0.00	2300.00	0.072	0.00	0.000

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share-holding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
66	MARYKUTTY VARGHESE	576.00	0.018	0.00	5.00	0.000	0.00	-0.018
67	MEERA PYARELAL	200.00	0.006	0.00	545.00	0.017	0.00	0.011
68	MERCY BASTIAN	16600.00	0.519	0.00	16600.00	0.519	0.00	0.000
69	MINNI JOSEPH	12774.00	0.399	0.00	13284.00	0.415	0.00	0.016
70	MOLLY TOMY	21200.00	0.663	0.00	21200.00	0.663	0.00	0.000
71	P V JOSE	400.00	0.012	0.00	400.00	0.012	0.00	0.000
72	P D GEORGE	100.00	0.003	0.00	100.00	0.003	0.00	0.000
73	P D VINCENT	1800.00	0.056	0.00	1800.00	0.056	0.00	0.000
74	PAUL FRANCIS	29300.00	0.916	0.00	24700.00	0.772	0.00	-0.144
75	PAUL JOHN	4400.00	0.138	0.00	4400.00	0.138	0.00	0.000
76	PRAKASAN K C	12360.00	0.386	0.00	12360.00	0.386	0.00	0.000
77	PREETHY ANTONY	3000.00	0.094	0.00	3000.00	0.094	0.00	0.000
78	PRINCE PANIKULAM	3800.00	0.119	0.00	3800.00	0.119	0.00	0.000
79	PUSHPAM BRIGHT	21100.00	0.659	0.00	21100.00	0.659	0.00	0.000
80	RAGHAVAN VENUGOPAL THANDASSERY	25700.00	0.803	0.00	25700.00	0.803	0.00	0.000
81	REENA GIGI	21200.00	0.662	0.00	21200.00	0.662	0.00	0.000
82	REENA JOJY	7500.00	0.234	0.00	7500.00	0.234	0.00	0.000
83	ROSE MARY JAMES	770.00	0.024	0.00	0.00	0.000	0.00	-0.024
84	ROSE VARGHESE	4000.00	0.125	0.00	4000.00	0.125	0.00	0.000
85	ROSY BABY	100.00	0.003	0.00	100.00	0.003	0.00	0.000
86	SALLY PAUL	400.00	0.012	0.00	400.00	0.012	0.00	0.000
87	SARIGA RAGHULAL	200.00	0.006	0.00	200.00	0.006	0.00	0.000
88	SAWMYA VARGHESE	7000.00	0.219	0.00	7000.00	0.219	0.00	0.000
89	SEEMA VARGHESE	4600.00	0.144	0.00	4600.00	0.144	0.00	0.000
90	SHALY THOMAS	700.00	0.021	0.00	700.00	0.021	0.00	0.000
91	SHEELA RAJIVEN	12700.00	0.397	0.00	13700.00	0.428	0.00	0.031
92	SHINY FRANCIS	9000.00	0.281	0.00	9000.00	0.281	0.00	0.000
93	SHYAMA PRAKASAN	500.00	0.016	0.00	500.00	0.016	0.00	0.000
94	SIDDHARTH VIJAYARAGHAVAN	216.00	0.006	0.00	216.00	0.006	0.00	0.000
95	SIMI JACKSON	1000.00	0.031	0.00	1000.00	0.031	0.00	0.000
96	SINI R SANTOSH	12500.00	0.391	0.00	13500.00	0.422	0.00	0.031
97	SINU ANN	4700.00	0.147	0.00	4700.00	0.147	0.00	0.000
98	SONIA SUNNY	14410.00	0.450	0.00	14410.00	0.450	0.00	0.000
99	SQN LDR V J FRANCIS	1000.00	0.031	0.00	1000.00	0.031	0.00	0.000
100	SUJA JOHNSON POKKATH	17100.00	0.534	0.00	17100.00	0.534	0.00	0.000
101	SUMY PAUL	2170.00	0.068	0.00	2170.00	0.068	0.00	0.000
102	SUNIL KUMAR K C	1890.00	0.059	0.00	1890.00	0.059	0.00	0.000
103	SUNNY FRANCIS	17240.00	0.538	0.00	17240.00	0.538	0.00	0.000
104	SURESH JOSE	1400.00	0.044	0.00	1400.00	0.044	0.00	0.000

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share-holding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
105	SUSAN FRANCIS	10600.00	0.331	0.00	10600.00	0.331	0.00	0.000
106	SUSSAMMA JOSE	15958.00	0.499	0.00	15958.00	0.499	0.00	0.000
107	T R RAGHAVAN	6000.00	0.188	0.00	0.00	0.000	0.00	-0.188
108	T R RAGULAL	28208.00	0.882	0.00	29208.00	0.913	0.00	0.031
109	T R VIJAYAKUMAR	24635.00	0.769	0.00	25635.00	0.801	0.00	0.032
110	TEENA PRINCE	2515.00	0.079	0.00	2515.00	0.079	0.00	0.000
111	TESSY GEORGE	5700.00	0.178	0.00	4900.00	0.153	0.00	-0.025
112	THIMATHEWS THOMAS PERUMBILLY	20200.00	0.631	0.00	20200.00	0.631	0.00	0.000
113	THOMAS K C	2900.00	0.091	0.00	2900.00	0.091	0.00	0.000
114	THRESSIAMMA GEORGE	26020.00	0.813	0.00	26020.00	0.813	0.00	0.000
115	TOMY M P	6600.00	0.206	0.00	6600.00	0.206	0.00	0.000
116	USHA FRANCIS	3900.00	0.122	0.00	3900.00	0.122	0.00	0.000
117	USHA HEMACHANDRAN	22320.00	0.698	0.00	22320.00	0.698	0.00	0.000
118	VARGHESE P K	9522.00	0.298	0.00	10093.00	0.315	0.00	0.017
119	VASUDEVAN K C	12260.00	0.383	0.00	12260.00	0.383	0.00	0.000
		1046610.00	32.707	0.00	1023364.00	31.980	0.00	-0.727

C) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1046610	32.707		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	#		#	
	At the end of the year	1023364	31.980		

Transfer details of promoters are given in the next page.

INCREASE/DECREASE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
1	Kollara Chathunny Pyarelal	21774	0.68	1-Apr-14				
				31-Oct-14	2	Transfer	21776	0.68
				7-Nov-14	219	Transfer	21995	0.69
				21-Nov-14	-1135	Transfer	20860	0.65
				20-Mar-15	1775	Transfer	22635	0.71
				20-Mar-15	332	Transfer	22967	0.72
				20-Mar-15	190	Transfer	23157	0.72
		23157	0.72	31-Mar-15			23157	0.72
2	Joseph Xavier	17288	0.54	1-Apr-14				
				4-Apr-14	100	Transfer	17388	0.54
				11-Apr-14	107	Transfer	17495	0.55
				2-May-14	172	Transfer	17667	0.55
				9-May-14	200	Transfer	17867	0.56
				16-May-14	409	Transfer	18276	0.57
				11-Jul-14	45	Transfer	18321	0.57
				12-Dec-14	126	Transfer	18447	0.58
				13-Mar-15	100	Transfer	18547	0.58
				27-Mar-15	50	Transfer	18597	0.58
		18597	0.58	31-Mar-15			18597	0.58
3	Minni Joseph	12774	0.40	1-Apr-14				
				16-May-14	100	Transfer	12874	0.40
				27-Mar-15	410	Transfer	13284	0.42
		13284	0.42	31-Mar-15			13284	0.42
4	Annie Joseph	2000	0.06	1-Apr-14				
				21-Nov-14	-500	Transfer	1500	0.05
				28-Nov-14	-500	Transfer	1000	0.03
		1000	0.03	31-Mar-15			1000	0.03
5	Rose Mary James	770	0.02	1-Apr-14				
				28-Nov-14	-770	Transfer	0	0.00
		0	0.00	31-Mar-15			0	0.00

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
6	Marykutty Varghese	576	0.02	1-Apr-14				
				23-May-14	-571	Transfer	5	0.00
		5	0.00	31-Mar-15			5	0.00
7	Varghese P K	9522	0.30	1-Apr-14				
				23-May-14	571	Transfer	10093	0.32
		10093	0.32	31-Mar-15			10093	0.32
8	Paul Francis	29300	0.92	1-Apr-14				
				12-Dec-14	-481	Transfer	28819	0.90
				9-Jan-15	-900	Transfer	27919	0.87
				23-Jan-15	-919	Transfer	27000	0.84
				30-Jan-15	-500	Transfer	26500	0.83
				6-Feb-15	-260	Transfer	26240	0.82
				20-Feb-15	-1240	Transfer	25000	0.78
				27-Feb-15	-100	Transfer	24900	0.78
				20-Mar-15	-200	Transfer	24700	0.77
		24700	0.77	31-Mar-15			24700	0.77
9	Marina Vincent	5523	0.17	1-Apr-14				
				8-Aug-14	-23	Transfer	5500	0.17
				2-Sep-14	-5500	Demat	0	0.00
				5-Sep-14	5500	Demat	5500	0.17
				19-Sep-14	-24	Transfer	5476	0.17
				30-Sep-14	-200	Transfer	5276	0.16
				7-Nov-14	-25	Transfer	5251	0.16
				14-Nov-14	-400	Transfer	4851	0.15
				21-Nov-14	-200	Transfer	4651	0.15
				28-Nov-14	-595	Transfer	4056	0.13
				20-Feb-15	-500	Transfer	3556	0.11
				27-Feb-15	200	Transfer	3756	0.12
				27-Mar-15	-100	Transfer	3656	0.11
		3656	0.11	31-Mar-15			3656	0.11

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
10	Johnson M C	946	0.03	1-Apr-14				
				13-Jun-14	-139	Transfer	807	0.03
				20-Jun-14	-4	Transfer	803	0.03
				30-Jun-14	-303	Transfer	500	0.02
		500	0.02	31-Mar-15			500	0.02
11	Anto P D	2800	0.09	1-Apr-14				
				6-Feb-15	7200	Transfer	10000	0.31
				31-Mar-15	200	Transfer	10200	0.32
		10200	0.32	31-Mar-15			10200	0.32
12	Mariamma Anto	17500	0.55	1-Apr-14				
				7-Nov-14	100	Transfer	17600	0.55
				14-Nov-14	100	Transfer	17700	0.55
				6-Feb-15	-7200	Transfer	10500	0.33
		10500	0.33	31-Mar-15			10500	0.33
13	George A P	58561	1.83	1-Apr-14				
				13-Mar-15	20	Transfer	58581	1.83
		58581	1.83	31-Mar-15			58581	1.83
14	Anna Jose	3000	0.09	1-Apr-14				
				19-Sep-14	-3000	Transfer	0	0.00
				14-Nov-14	7500	Transfer	7500	0.23
		7500	0.23	31-Mar-15			7500	0.23
15	Jose John	4500	0.14	1-Apr-14				
				19-Sep-14	-4500	Transfer	0	0.00
		0	0.00	31-Mar-15			0	0.00

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
16	Annie Paul	16000	0.50	1-Apr-14				
				13-Feb-15	-2000	Transfer	14000	0.44
				20-Feb-15	-4217	Transfer	9783	0.31
				27-Feb-15	-1883	Transfer	7900	0.25
				6-Mar-15	-1008	Transfer	6892	0.22
				13-Mar-15	-892	Transfer	6000	0.19
				27-Mar-15	-2007	Transfer	3993	0.12
				31-Mar-15	-8	Transfer	3985	0.12
		3985	0.12	31-Mar-15			3985	0.12
17	Beena Kailashnathan	12700	0.40	1-Apr-14				
				17-Oct-14	1000	Transmission	13700	0.43
				12-Dec-14	-1000	Demat	12700	0.40
				12-Dec-14	1000	Demat	13700	0.43
		13700	0.43	31-Mar-15			13700	0.43
18	Kollara Chathunny Vijayaraghavan	45795	1.43	1-Apr-14				
				27-Mar-15	205	Transfer	46000	1.44
		46000	1.44	31-Mar-15			46000	1.44
19	Sheela Rajiven	12700	0.40	1-Apr-14				
				17-Oct-14	1000	Transmission	13700	0.43
				5-Dec-14	-1000	Demat	12700	0.40
				5-Dec-14	1000	Demat	13700	0.43
		13700	0.43	31-Mar-15			13700	0.43
20	Meera Pyarelal	200	0.01	1-Apr-14				
				20-Mar-15	345	Transfer	545	0.02
		545	0.02	31-Mar-15			545	0.02
21	Johnson P D	13600	0.43					
				11-Nov-14	-13600	Transfer	0.00	0.00
				14-Nov-14	13900	Transfer	13900	0.43
		13900	0.43	31-Mar-15			13900	0.43

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
22	Leera Jeejo	4000	0.13	1-Apr-14				
				21-Jan-15	-4000	Demat	0	0.00
				23-Jan-15	4000	Demat	4000	0.13
		4000	0.13	31-Mar-15			4000	0.13
23	M P Gigi	11720	0.37	1-Apr-14				
				5-Jul-14	-1200	Transfer	10520	0.33
				5-Jul-14	-3000	Transfer	7520	0.23
				5-Jul-14	-220	Transfer	7300	0.23
				5-Jul-14	-800	Transfer	6500	0.20
		6500	0.20	31-Mar-15			6500	0.20
24	T R Raghavan	6000	0.19	1-Apr-14				
				17-Oct-14	-6000	Transmission	0	0.00
		0	0.00	31-Mar-15			0	0.00
25	Tessy George	5700	0.18	1-Apr-14				
				7-Apr-14	-200	Transfer	5500	0.17
				12-Jun-14	-200	Transfer	5300	0.17
				12-Jul-14	-400	Transfer	4900	0.15
		4900	0.15	31-Mar-15			4900	0.15
26	T R Raghulal	28208	0.88	1-Apr-14				
				17-Oct-14	1000	Transmission	29208	0.91
		29208	0.91	31-Mar-15			29208	0.91
27	T R Vijayakumar	24635	0.77	1-Apr-14				
				17-Oct-14	1000	Transmission	25635	0.80
		25635	0.80	31-Mar-15			25635	0.80
28	Sini R Santhosh	12500	0.39	1-Apr-14				
				17-Oct-14	1000	Transmission	13500	0.42
		13500	0.42	31-Mar-15			13500	0.42

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
1	PJD Properties And Investments Private Limited	533267	16.66	1-Apr-14				
				30-May-14	11764	Transfer	545031	17.03
		545031	17.03	31-Mar-15			545031	17.03
2	Blaze Kuries and Loans (P) Ltd	28997	0.90	1-Apr-14				
				18-Jul-14	-3778	Transfer	25219	0.79
				25-Jul-14	-3181	Transfer	22038	0.69
				1-Aug-14	-471	Transfer	21567	0.67
				8-Aug-14	-4087	Transfer	17480	0.54
				14-Aug-14	-1483	Transfer	15997	0.50
				22-Aug-14	-1000	Transfer	14997	0.47
				5-Sep-14	-1000	Transfer	13997	0.44
				21-Nov-14	-1000	Transfer	12997	0.41
				30-Jan-15	-1023	Transfer	11974	0.37
				6-Feb-15	-456	Transfer	11518	0.36
				13-Feb-15	-1018	Transfer	10500	0.33
				20-Feb-15	-1000	Transfer	9500	0.29
				27-Feb-15	-1500	Transfer	8000	0.25
				13-Mar-15	-500	Transfer	7500	0.23
		7500	0.23	31-Mar-15			7500	0.23
3	Nina Paul	22100	0.69	1-Apr-14	0	Nil movement during the year		
		22100	0.69	31-Mar-15			22100	0.69
4	SCMS Investment Services Private Limited	22027	0.69	1-Apr-14	0	Nil movement during the year		
		22027	0.69	31-Mar-15			22027	0.69
5	Radha Anand Menon	21711	0.68	1-Apr-14	0			
				6-Jun-14	3000	Transfer	24711	0.77
		24711	0.77	31-Mar-15			24711	0.77
6	Mary Jose	18420	0.57	1-Apr-14	0	Nil movement during the year		
		18420	0.57	31-Mar-15			18420	0.57
7	Shandy Joy	17800	0.56	1-Apr-14	0	Nil movement during the year		
		17800	0.56	31-Mar-15			17800	0.56

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
8	Kurudiara Madhavi	15840	0.50	1-Apr-14	0	Nil movement during the year		
		15840	0.50	31-Mar-15			15840	0.50
9	K L John	14680	0.46	1-Apr-14	0	Nil movement during the year		
		14680	0.46	31-Mar-15			14680	0.46
10	Priya Paul	13000	0.40	1-Apr-14	0	Nil movement during the year		
		13000	0.40	31-Mar-15			13000	0.40

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
A DIRECTORS :								
1	M C Paul Managing Director	37238	1.16	1-Apr-14	0	Nil movement during the year		
		37238	1.16	31-Mar-15			37238	1.16
2	PK. Varghese Executive Director	9522	0.30	1-Apr-14				
				23-May-14	571	Transfer	10093	0.32
		10093	0.32	31-Mar-15			10093	0.32
3	A P George Non- Executive Director	58561	1.83	1-Apr-14				
				13-Mar-15	20	Transfer	58581	1.83
		58581	1.83	31-Mar-15			58581	1.83
4	K P John Independent Non- Executive Director (Ceased to be Director on 08/01/2015)	10260	0.32	1-Apr-14		Nil movement during the year		
		10260	0.32	31-Mar-15			10260	0.32

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
5	P D Anto Non- Executive Director	2800	0.09	1-Apr-14				
				6-Feb-15	7200	Transfer	10000	0.31
				31-Mar-15	200	Transfer	10200	0.32
		10200	0.32	31-Mar-15			10200	0.32
6	Dr. K C Vijayaraghavan Non- Executive Director	45795	1.43	1-Apr-14				
				27-Mar-15	205	Transfer	46000	1.44
		46000	1.44	31-Mar-15			46000	1.44
7	John Francis Non- Executive Director	18120	0.57	1-Apr-14	0	Nil movement during the year		
		18120	0.57	31-Mar-15			18120	0.57
8	T R Raghulal Non- Executive Director	28208	0.88	1-Apr-14				
				17-Oct-14	1000	Transmission	29208	0.91
		29208	0.91	31-Mar-15			29208	0.91
9	Dr Jose Paul Thaliyath Independent Non- Executive Director	27117	0.85	1-Apr-14	0	Nil movement during the year		
		27117	0.85	31-Mar-15			27117	0.85
10	Joseph Xavier Independent Non- Executive Director	17288	0.54	1-Apr-14				
				4-Apr-14	100	Transfer	17388	0.54
				11-Apr-14	107	Transfer	17495	0.55
				2-May-14	172	Transfer	17667	0.55
				9-May-14	200	Transfer	17867	0.56
				16-May-14	409	Transfer	18276	0.57
				11-Jul-14	45	Transfer	18321	0.57
				12-Dec-14	126	Transfer	18447	0.58
				13-Mar-15	100	Transfer	18547	0.58
				27-Mar-15	50	Transfer	18597	0.58
		18597	0.58	31-Mar-15			18597	0.58
11	Sathi A Menon Independent Non- Executive Director (Appointed as Director on 25/09/2014)	0	0.00	1-Apr-14	0	Nil holding/ movement during the year		
		0	0.00	31-Mar-15			0	0.00

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No of shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the Company				No of shares	% of total shares of the Company
12	Paul John Independent Non- Executive Director (Appointed as Director on 12/02/2015)	4400	0.14	1-Apr-14		Nil movement during the year		
					0			
		4400	0.14	31-Mar-15			4400	0.14

B KEY MANAGERIAL PERSONS :

1	R. Sankaranarayanan CFO & Company Secretary	3352	0.10	1-Apr-14				
				6-Jun-14	-452	Transfer	2900	0.09
				13-Jun-14	-588	Transfer	2312	0.07
				30-Jun-14	-51	Transfer	2261	0.07
				4-Jul-14	-50	Transfer	2211	0.07
				16-Jan-15	95	Transfer	2306	0.07
				23-Jan-15	81	Transfer	2387	0.07
				30-Jan-15	24	Transfer	2411	0.08
		2411	0.08	31-Mar-15	0	Transfer	2411	0.08

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	703.37		964.00	1667.37
ii) Interest due but not paid				
iii) Interest accrued but not due			116.30	116.30
Total (i + ii + iii)	703.37		1080.30	1783.67
Change in Indebtedness during the financial year				
• Addition	600.00 #	500.00	298.10	1398.10
• Reduction	490.59 #	500.00	338.77	1329.36
Net Change	109.41	0.00	-40.67	68.74
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	812.78		923.33	1736.11
ii) Interest due but not paid				
iii) Interest accrued but not due	0.18		120.87	121.05
Total (i + ii + iii)	812.96		1044.20	1857.16

The daily changes in balances of cash credit accounts has not been considered.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		M C Paul (Managing Director)	P K Varghese (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23.97	13.14	37.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.52	0.98	4.50
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others			
	Leave Travel Allowance	1.46		1.46
	Employer Contribution to Provident Fund	2.40	1.31	3.71
	Provision for Gratuity	13.96	0.87	14.83
	Total (A)	45.31	16.30	61.61
	Ceiling as per the Act	₹ 534.68 lakhs (being 10% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors

(₹ in lakhs)

Sl No.	Particulars of Remuneration	Name of Directors										Total Amount
		A P George	K P John *	P D Anto	Dr K C Vijayaraghavan	John K Francis	T R Raghulal	Dr Jose Paul Thaliyath	Joseph Xavier	Sathi A Menon **	Paul John ***	
1	Independent Directors											
	Fee for attending board committee meetings	-	-	-	-	-	-	1.45	1.36	0.92	0.30	4.03
	Commission											
	Others, please specify											
	Total (1)	-	-	-	-	-	-	1.45	1.36	0.92	0.30	4.03
2	Other Non-Executive Directors											
	Fee for attending board committee meetings	2.53	0.91	2.28	1.31	1.31	0.24	-	-	-	-	8.58
	Commission											
	Others – Professional Fee	2.40	-	-	-	-	-	-	-	-	-	2.40
	Total (2)	4.93	0.91	2.28	1.31	1.31	0.24	-	-	-	-	10.98
	Total (B)=(1 + 2)	4.93	0.91	2.28	1.31	1.31	0.24	1.45	1.36	0.92	0.30	15.01
	Ceiling as per the Act	₹ 53.47 lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)										

* Not a Director as on 31.03.2015 since he resigned on 08.01.2015, ** Appointed as Director on 25.09.2014

*** Appointed as Director on 12.02.2015

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		R. Sankaranarayanan CFO & Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.85
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	- Others, specify...	
5	Others - Employer Contribution to Provident Fund	2.23
	Total	29.29

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

“ANNEXURE G” TO BOARD’S REPORT

SATHISH V
 B.COM, LLB, PGDT, ACMA, FCS
 PRACTISING COMPANY SECRETARY
 B1, I FLOOR, PERIELLATH TOWERS, JAWAHAR – MAHATMA ROAD, VYTTILA P.O, COCHIN - 682019
 Phone: 0484 – 6002101; 9961333309 Email: vsathish.cs@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
 M/s KSE Limited
 Regd Office: Solvent Road
 Irinjalakuda
 Pin-680 121

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s KSE LIMITED (hereinafter called the company) with Corporate Identity No L15331KL1963PLC002028. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s KSE LIMITED for the financial year ended on 31st March 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Cochin, Mumbai and Madras Stock Exchanges;

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the Memorandum and Articles of Association of the Company, with regard to:
- maintenance of various statutory registers and documents and making necessary entries therein;
 - closure of the Register of Members / Debenture holders;
 - forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - notice of Board meetings and Committee meetings of Directors;
 - the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - the 50th Annual General Meeting held on September 25, 2014;
 - minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - payment of remuneration to Directors, including the Managing Director
 - appointment and remuneration of Auditors and Cost Auditors;
 - transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
 - declaration and payment of dividends;
 - transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
 - borrowings and registration, modification and satisfaction of charges wherever applicable;
 - investment of the Company's funds including inter-corporate loans and investments and loans to others;
 - giving guarantees in connection with loans taken by subsidiaries;
 - form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
 - preparation of Directors Report
 - execution of contracts, affixing of common seal, registered office and publication of name of the company; and
 - generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:-
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/ directorships in other companies and interests in other entities.
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.
 - The company has obtained all necessary approvals under the various provisions of the Act.
4. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and that during the audit period, there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Place : Cochin
 Date : 30.05.2015

SATHISH V
 Practising Company Secretary
 FCS 8005; CP 8343

“ANNEXURE H” TO BOARD’S REPORT

PARTICULARS OF EMPLOYEES

The information required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. Ratio of remuneration of each Director to the median remuneration of all the employees of Your Company for the financial year 2014-15 is as follows:

Sl. No.	Name of Director	Total Remuneration (₹ in lakhs)	Ratio of remuneration of director to the Median remuneration
Non- executive Directors			
1	A P George	4.93	2.17
2	K P John *	0.91	0.40
3	P D Anto	2.28	1.01
4	Dr K C Vijayaraghavan	1.31	0.58
5	John K Francis	1.31	0.58
6	T R Raghulal	0.24	0.11
7	Dr. Jose Paul Thaliyath	1.45	0.64
8	Joseph Xavier	1.36	0.60
9	Sathi A Menon **	0.92	0.41
10	Paul John ***	0.30	0.13
Executive Directors			
1	M C Paul	45.31	19.98
2	P K Varghese	16.30	7.19

Notes :

- * Mr. K P John ceased to be Director of the Company on 08.01.2015. Accordingly, the remuneration shown above is for part of the financial year 2014-15.
- ** Mrs. Sathi A Menon was appointed as Director of the Company on 25.09.2014. Accordingly, the remuneration shown above is for part of the financial year 2014-15.
- *** Mr. Paul John was appointed as Director of the Company on 12.02.2015. Accordingly, the remuneration shown above is for part of the financial year 2014-15.

B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2014-15 are as follows:

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2014-15	2013-14	
1	A P George	Non- executive Director	4.93	4.41	11.79
2	K P John	Non- executive and Independent Director	0.91	1.65	*
3	P D Anto	Non- executive Director	2.28	1.86	22.58
4	Dr K C Vijayaraghavan	Non- executive Director	1.31	0.98	33.67
5	John K Francis	Non- executive Director	1.31	0.98	33.67
6	T R Raghulal	Non- executive Director	0.24	0.45	--
7	Dr. Jose Paul Thaliyath	Non- executive and Independent Director	1.45	1.01	43.56
8	Joseph Xavier	Non- executive and Independent Director	1.36	0.80	70.00

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2014-15	2013-14	
9	Sathi A Menon	Non- executive and Independent Director	0.92	0.00	*
10	Paul John	Non- executive and Independent Director	0.30	0.00	*
11	M C Paul	Managing Director	45.31	27.68	63.70
12	P K Varghese	Executive Director	16.30	17.51	--
13	R. Sankaranarayanan	CFO and Company Secretary	29.29	28.03	4.50

* The percentage increase in remuneration is not reported in these cases as the respective Directors were holding Directorship only for a part of the financial year 2014-15

C. The percentage increase in the median remuneration of employees in the financial year : 21.42%.

D. The number of permanent employees on the rolls of Company: 896 as on 31.03.2015.

E. The explanation on the relationship between average increase in remuneration and Company performance:

The increase in average remuneration of all employees in the financial year 2014-15 as compared to the financial year 2013-14 was 19.86%. The Company do not have employees outside India.

The key indices of Company's performance are:

(₹ in lakhs)

Particulars	2014-15	2013-14	Growth (%)
Net Revenue from operations	89970.05	80630.33	11.58
Profit Before Tax and Exceptional Items	5343.22	2343.87	127.97
Profit After Tax	4363.41	1537.36	183.82

The increase in remuneration is effected in settlement with the Labour Unions at Staff and Worker level; which is influenced by the standards set in the locality where the respective Unit is situated and also across the Industry. The increases in remuneration in respect of officers/ managers are in line with their performance as well as the standards in other similar Industries in the locality.

F. Comparison of the remuneration of the Key Managerial Personnel against the performance of Your Company:

Aggregate remuneration of Key Managerial Personnel (KMP) for 2014-15 financial year (₹ in lakhs)	90.90
Revenue (₹ in lakhs)	89970.05
Remuneration of KMPs (as a % of revenue)	0.10
Profit before Tax (PBT) (₹ in lakhs)	6388.93
Remuneration of KMPs (as a % of PBT)	1.42

G. Details of Share price and market capitalization:

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows :

Particulars	As on 31.03.2015	As on 31.03.2014	Increase/ (Decrease) (%)
Price Earnings Ratio	5.19	4.81	7.90
Market Capitalisation (₹ in lakhs)	22656.00	7390.40	206.56

Note: Closing share price on BSE has been used for the above tables.

Comparison of share price at the time of first public offer and market price of the share as on 31st March, 2015

Particulars	As on 31.03.2015	As on 21.07.1994 *	Increase/ (Decrease) (%)
Market Price (BSE)	708.00	50.00	1316.00

* The date of listing of shares on BSE is 18.07.1994. However the market price is available only from 21.07.1994 and hence the same is adopted.

H. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase in salaries was around 19.86%.

The increase in managerial remuneration for the year was 24.08%.

Increase in the managerial remuneration of non-executive directors is due to revision of sitting fee with effect from 7th October, 2014, for Board Meetings from ₹ 7,000 to ₹ 10,000 per meeting and that for Committee Meetings from ₹ 3,500 to ₹ 5,000 per meeting attended. Increase in the managerial remuneration of Managing Director, Mr. M C Paul was 63.70% due to revision of his salary on his reappointment for a further term of three years with effect from 23rd October, 2014 in the Annual General Meeting held on 25th September, 2014 and also due to its impact on other perquisites and allowances and provision for gratuity. Increase in the remuneration of CFO and Company Secretary was 4.50%.

I. Comparison of each remuneration of Key Managerial Personnel against the performance of the Company

Particulars	M.C. Paul Managing Director	P.K. Varghese Executive Director	R. Sankaranarayanan CFO & CS
Aggregate remuneration of Key Managerial personnel (KMP) for Financial Year 2014-15 (₹ in lakhs)	45.31	16.30	29.29
Revenue for Financial Year 2014-15 (₹ in lakhs)	89970.05		
Remuneration as a % of revenue	0.05	0.02	0.03
Profit Before Tax (PBT) (₹ in lakhs)	6388.93		
Remuneration (as a % of PBT)	0.71	0.25	0.46

J. The key parameters for any variable component of remuneration availed by the directors:

No variable component of remuneration is availed by the Directors.

K. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

No employee, who is not a director, is drawing remuneration in excess of the highest paid director during the year.

L. Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

M. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. List of employees of the Company employed throughout the financial year 2014-15 and were paid remuneration not less than ₹ 60 lakhs per annum:

None of the employees of the Company were paid remuneration exceeding ₹ 60 lakhs per annum.

2. Employees employed for the part of the year and were paid remuneration during the financial year 2014-15 at a rate which in aggregate was not less than ₹ 5 lakhs per month:

None of the employees employed for part for the year were paid remuneration exceeding ₹ 5 lakhs per month.

3. Employees, if employed throughout the financial year or part thereof, who were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:

None of the employee of the Company falls in the category.

“ANNEXURE I” TO BOARD’S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A) Conservation of Energy

Every effort has been taken to utilise the energy most efficiently and judiciously. Automatic power factor correction (APFC) panels has been installed in Palakkad and Koratty Units and also in the Dairy Unit at Konikkara. The atmospheric condenser in the Dairy Plant at Konikkara has been replaced with Plate Heat Exchanger for improvement in efficiency in refrigeration system.

B) Technology Absorption

The Company does not have Technology Transfer Agreements / collaboration agreements with respect to its product line. During the year under review there was no major technology absorption undertaken by the Company.

C) Foreign Exchange Earnings and Outgo

	2014-2015 ₹ in lakhs	2013-2014 ₹ in lakhs
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	4,550.76	1,708.03

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

In KSE Limited, we believe that good governance is a systematic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfills its social responsibilities. We believe in good Corporate Governance, with utmost transparency in its operations achieved by proper disclosures in its Annual Reports, Quarterly Results, Public Announcements, Press Releases and all other communications to shareholders, so as to provide shareholders and all other concerned with information about their Company's working, its strength, weakness, opportunities and threats and thereby enabling them to develop a proper and balanced perspective on the working of their Company.

2. Board of Directors

Board of KSE Limited consists of Eleven Directors, including one woman director. Two of them, Managing Director and Executive Director, are Whole-time Executive Directors. The Chairman of the Board is a non-executive independent director. In total there are four independent directors in the Board. The Board invariably meets in every month and evaluates the performance of the Company. All major policy and business decisions of the Company are placed before the Board and decisions are taken after due deliberations and with mutual consensus. A Management Committee with five Directors as its members is functioning to assist the Board, which is regularly meeting, twice in a month, in order to review the operations of the Company and study the proposals that are to be placed before the Board and make recommendations thereon.

The details of members of the Board, number of equity shares of the Company held by them as on 31.03.2015, number of Board Meetings attended by them during the financial year 2014-15, details as to their attendance in the last AGM, details of other directorships, etc. are given hereunder:

Sl. No.	Name and Designation	Category of Director	No. of shares held	No. of Board Meeting attended	Attendance at last AGM held on 25.09.2014	No. of Other Directorships *		Committee Members	
						Director	Chairman	Member	Chairman
1	Dr. Jose Paul Thaliyath, Chairman	Non-Executive Independent	27,117	13	Present	—	—	—	—
2	Mr. M.C. Paul Managing Director	Executive	37,238	13	Present	—	—	—	—
3	Mr. P.K. Varghese Executive Director	Executive	10,093	13	Present	—	—	—	—
4	Mr. A.P. George, Director and Legal Advisor	Non-Executive	58,581	13	Present	1	—	—	—
5	Mr. K.P. John, Director (upto 08-01-2015)	Non-Executive Independent	10,260	7	Present	—	—	—	—
6	Mr. P.D. Anto Director	Non-Executive	10,200	13	Present	—	—	—	—
7	Mr. John Francis K. Director	Non-Executive	18,120	13	Present	—	—	—	—
8	Dr. K.C. Vijayaraghavan Director	Non-Executive	46,000	13	Present	—	—	—	—
9	Mr. T.R. Ragulal Director	Non-Executive	29,208	3	Present	—	—	—	—
10	Mr. Joseph Xavier Director	Non-Executive Independent	18,597	13	Present	—	—	—	—
11	Mrs. Sathi A. Menon Woman Director (from 25.09.2014)	Non-Executive Independent	Nil	7	Not applicable	—	—	—	—
12	Mr. Paul John, Director (From 12.02.2015)	Non-Executive Independent	4,400	2	Not applicable	—	—	—	—

* For the above, only Directorships in Public Limited Companies are taken into consideration.

During the year 2014-2015, the Board met 13 times on the follows dates:

Sl. No.	Date	Sl. No.	Date	Sl. No.	Date	Sl. No.	Date
1	30 th April, 2014	4	24 th July, 2014	7	6 th October, 2014	10	8 th January, 2015
2	29 th May, 2014	5	12 th August, 2014	8	12 th November, 2014	11	12 th February, 2015
3	30 th June, 2014	6	16 th September, 2014	9	5 th December, 2014	12	10 th March, 2015
						13	25 th March, 2015

3. Audit Committee

Audit Committee is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and is empowered as per the requirements of the said provisions. The Audit Committee is formed with four members out of which three are independent non-executive Directors. Mrs. Sathi A. Menon, Non-executive Independent woman Director, who is a practicing chartered accountant in Thrissur, is now nominated by the Board as the Chairperson to the Audit Committee. The other two independent directors, who are members in the Audit Committee, are Dr. Jose Paul Thaliyath and Mr. Paul John. Dr. K.C. Vijayaraghavan, a non-executive director, also is a member of the Audit Committee.

The broad terms of reference for the Audit Committee are as follows:

- recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- review and monitor the auditor's independence and performance, and effectiveness of audit process
- examination of the financial statements and the auditor's report thereon
- approval or any subsequent modification of transactions of the Company with related parties
- scrutiny of inter-corporate loans and investments
- valuation of undertakings or assets of the Company, wherever it is necessary
- evaluation of internal financial controls and risk management systems
- monitoring the end use of funds raised through public offers and related matters
- overseeing of the Company's financial reporting process and disclosure of its financial information
- reviewing the annual financial statements before submission to the Board
- review of adequacy of internal control systems and internal audit systems of the Company
- approval of appointment of Chief Financial Officer, after assessing his qualifications, experience and background, etc.

The Audit Committee had met four times in the year 2014-15 and the attendance of each member of the Committee was as follows:

Date of Meeting	Mr. K.P. John (upto 08.01.2015)	Dr. Jose Paul Thaliyath	Mrs. Sathi A. Menon (w.e.f. 06.10.2014)	Dr. K.C. Vijayaraghavan	Mr. Paul John (W.e.f. 10.03.2015)
26/05/2014	Present	Present	Not applicable	Present	Not applicable
11/08/2014	Present	Present	Not applicable	Present	Not applicable
10/11/2014	—	Present	Present	Present	Not applicable
10/02/2015	Not applicable	Present	Present	Present	Not applicable

The Board has accepted all the recommendations of the Audit Committee. The disclosures made herein shall be treated as disclosures required to be made under sub-section (8) of Section 177 of the Companies Act, 2013.

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee is constituted as per the provisions of Section 178 of the Companies Act, 2013 and as per Clause 49 of the listing agreement. The Committee has four members, out of which three are independent directors. Mr. Joseph Xavier, Mrs. Sathi A. Menon, Mr. Paul John and Mr. P.D. Anto are currently the members of the Committee. Mr. Joseph Xavier is nominated by the Board as the Chairman of the Committee.

The Nomination and Remuneration Committee met three times in the year 2014-15 and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. K.P. John (up to 08.01.2015)	Mr. Joseph Xavier (w.e.f. 06.10.2014)	Dr. Jose Paul Thaliyath (up to 06.10.2014)	Mrs. Sathi A. Menon (w.e.f. 06.10.2014)	Mr. P.D. Anto	Mr. Paul John (w.e.f. 10.03.2015)
24/07/2014	Present	Not applicable	Present	Not applicable	Present	Not applicable
29/01/2015	Not applicable	Present	Present	Present	—	Not applicable
21/03/2015	Not applicable	Present	Not applicable	Present	Present	Present

The broad terms of reference for the Remuneration Committee are the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Nomination and Remuneration Policy and the Performance Evaluation Policy of the Company are given separately which forms part of Board's Report. Disclosures included herein may be considered as compliance under Section 178 of the Companies Act, 2013.

The non-executive directors are paid sitting fees for meetings of the Board or any Committees thereof attended by them. The details of remuneration to the Directors for the year 2014-15 are as follows:

Sl. No.	Name	Designation	Salary and allowances ₹ in lakhs	Other Benefits ₹ in lakhs	Professional Fee ₹ in lakhs	Sitting Fee ₹ in lakhs	Total ₹ in lakhs
1	Mr. M.C. Paul	Managing Director	40.33	4.98	—	—	45.31
2	Mr. P.K. Varghese	Executive Director	15.32	0.98	—	—	16.30
3	Mr. A.P. George	Director & Legal Advisor	—	—	2.40	2.53	4.93
4	Mr. K.P. John	Director	—	—	—	0.91	0.91
5	Dr. Jose Paul Thaliyath	Director & Chairman	—	—	—	1.45	1.45
6	Mr. P.D. Anto	Director	—	—	—	2.28	2.28
7	Dr. K.C. Vijayaraghavan	Director	—	—	—	1.31	1.31
8	Mr. John Francis K.	Director	—	—	—	1.31	1.31
9	Mr. T.R. Ragulal	Director	—	—	—	0.24	0.24
10	Mr. Joseph Xavier	Director	—	—	—	1.36	1.36
11	Mrs. Sathi A. Menon	Director	—	—	—	0.92	0.92
12	Mr. Paul John	Director	—	—	—	0.30	0.30

No stock options are granted to any one of the Directors of the Company.

5. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee constituted as per Clause 49 of the Listing Agreement is having Mr. A.P. George as Chairman and Mr. P.D. Anto, Mr. John Francis K. and Mr. T. R. Ragulal as other members of the Committee. All the Directors who are members of this Committee are non-executive. Mr. R. Sankaranarayanan, Chief Financial Officer and Company Secretary has been designated as the Compliance Officer. During the year 2014-15, One complaint was received from shareholders and the complaint received was redressed. No complaint/query was pending reply and no share transfer was pending for registration. The Stakeholders' Relationship Committee had met four times in the year 2014-15 and it was attended as follows:

Date of Meeting	Members				
	Mr. A.P. George	Mr. P.D. Anto	Mr. T.R. Ragulal	Mr. John Francis K.	Mr. Joseph Xavier
29/05/2014	Present	Present	—	Present	Present
12/08/2014	Present	Present	—	Present	Present
12/11/2014	Present	Present	—	Present	Not applicable
12/02/2015	Present	Present	—	Present	Not applicable

6. General Body Meetings

The location and time where last three Annual General Meetings were held are given below:

Name of Meeting	Date	Time	Venue
48 th Annual General Meeting	31 st July, 2012	3.00 p.m.	KSE Limited, Registered Office, Solvent Road, Irinjalakuda - 680121, Thrissur District KERALA.
49 th Annual General Meeting	31 st July, 2013	3.00 p.m.	
50 th Annual General Meeting	25 th September, 2014	3.00 p.m.	

The details of special resolutions passed in the above Annual General Meetings are as follows:

Meeting	Special Resolutions passed in the Annual General Meetings
48 th AGM	1. Reappointment and remuneration of Mr. P.K. Varghese as Executive Director of the Company 2. Reappointment and fixation of professional fee of Mr. A.P. George as Director and Legal Advisor of the Company
49 th AGM	1. Enhancement of remuneration of Mr. M.C. Paul as Managing Director of the Company 2. Enhancement of remuneration of Mr. P.K. Varghese, Executive Director 3. Enhancement of professional fee of Mr. A.P. George, Director and Legal Advisor of the Company
50 th AGM	1. Approval for acceptance of deposits from public/members pursuant to Section 73 and 76 of the Companies Act, 2013 and Rules made thereunder 2. Approval of borrowing limits in excess of aggregate of paid up share capital and free reserves of the Company pursuant to Section 180 (1) (c) of the Companies Act, 2013 3. Consent of the Company to create charge on the assets of the Company pursuant to Section 180(1) (a) of the Companies Act, 2013 4. Reappointment of Mr. M.C. Paul as Managing Director for a period of three years and fixing his remuneration. 5. Amendment to Articles of Association to bring it in line with the provisions of the Companies Act, 2013

For the 50th Annual General Meeting, in terms of Clause 35B of the Listing Agreement, in addition to the facility of e-voting, facility of Physical ballot by post also was provided for all resolutions passed in the meeting. The voting pattern of the said meeting is provided in the Companies web-site "www.kselimited.com" under investor relations.

In the 51st Annual General Meeting also, in terms of Clause 35B of the Listing Agreement, in addition to the facility of e-voting, facility of Physical ballot by post also will be provided for all resolutions to be passed in the meeting. The procedure for e-voting and physical ballot by post has been given in detail in the notes forming part of Notice to the 51st Annual General Meeting attached to the Annual Report for the year 2014-15.

7. Disclosures

- i) **Related party transactions:** There is no materially significant related party transaction that may have potential conflict with the interests of company at large. The transactions of purchase of raw materials, mainly coconut oil cake and cattle feed ingredients from concerns in which few executive and non-executive directors/relatives of directors have interest, and sale of products of the company, to concerns appointed as distributors of the Company in which certain Directors/relatives of Directors have interest, have been made at prices which are reasonable having regard to quality and prevailing market prices for such materials or the prices at which transactions of similar goods or services have been made with other parties. All the transactions covered under related party transactions were fair, transparent and at arms length. The Company has established Related Party Transactions Policy and Procedures as approved by the Board in its meeting held on 12th August, 2014, which is placed in the website of the Company “www.kselimited.com” under investor relations. The Register of Contracts containing transactions in which Directors are interested, is regularly placed before the Board. Full disclosure of related party transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given under Note No. 29.9 of Notes to the Annual Accounts.
- ii) **Disclosure of Accounting Treatment:** In the preparation of financial statements, the accounting standards as specified in Rule 7 of the Companies (Accounts) Rules, 2014 are complied with, and the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- iii) **Details of Non-compliance:** No penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any authority on any matter related to capital markets during the last three years.
- iv) **Whistle Blower Policy:** In terms of Sub-sections (9) and (10) of Section 177 of the Companies Act, 2013 and in terms of clause 49 of the Listing Agreement, the Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. The Mechanism provides for adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Board has approved the Whistle Blower Policy and Vigil Mechanism of the Company in its meeting held on 12th February, 2015. The same is posted in the Company’s website “www.kselimited.com” under “Investor Relations”. The disclosures made herein shall be treated as disclosures required to be made under Section 177 of the Companies Act, 2013.
- v) **Compliance of mandatory and non-mandatory requirements:** The Company has implemented all mandatory requirements specified under Clause 49 of the Listing Agreement. The Company has complied with the non-mandatory requirement as regards unqualified financial statements and separate post of Chairman and Managing Director. Also all the internal audit reports are placed before and considered by the Audit Committee. The Company has not complied with the other non-mandatory requirements.

8. Code of Conduct

Originally the Board approved the Code of Conduct applicable to the Board Members and the Senior Management Personnel of the Company at its meeting held on 29.12.2005. The said Code was subsequently revised to incorporate the role and duties of Independent Directors as provided in the Companies Act, 2013 and the revised code of conduct was approved by the Board in its meeting held on 12th August, 2014. The revised code has been posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code and a declaration to this effect signed by the Managing Director is annexed to this Report.

9. Means of Communication

Regularly the Company is publishing quarterly/half yearly/nine months unaudited results and audited annual financial results and notices in ‘Business Line’ English daily and ‘Mathrubhumi’ Malayalam daily. The Company has posted the quarterly/half yearly/nine months unaudited results and audited annual financial results in the Company’s website www.kselimited.com.

All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto in the respective financial year.

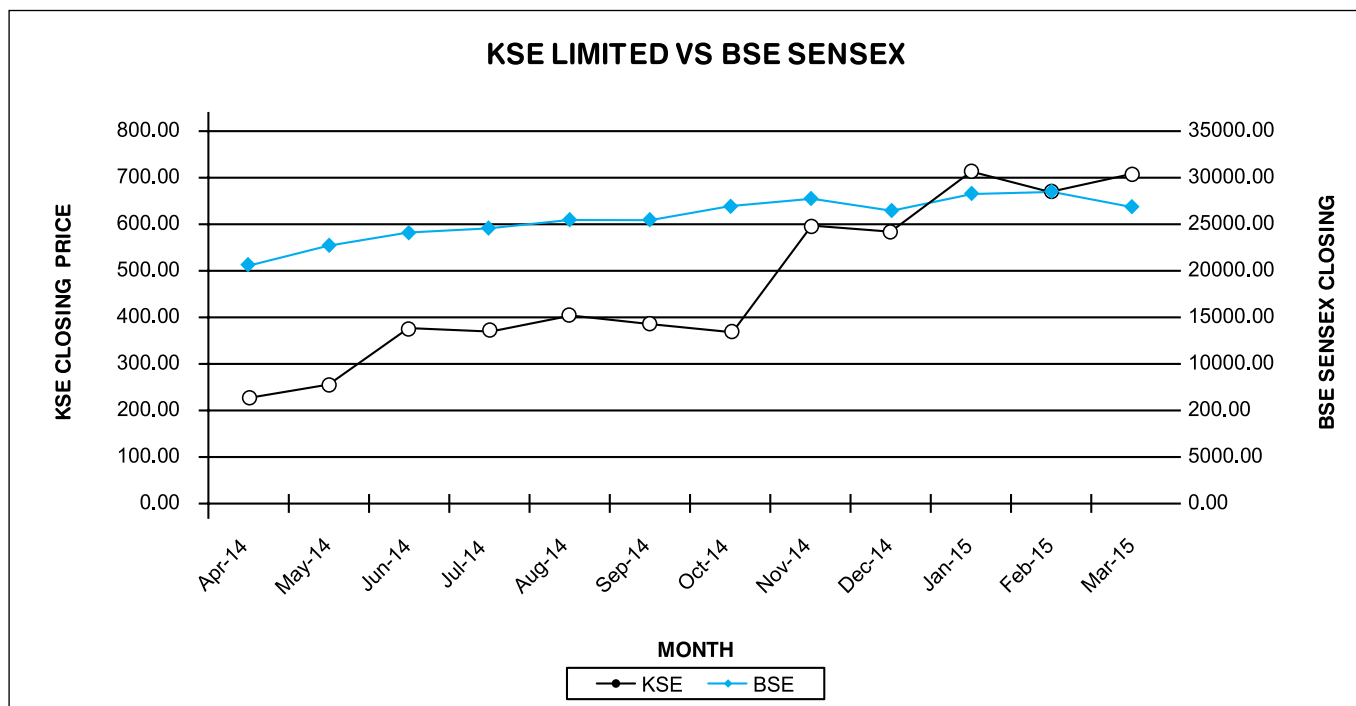
Your Company provides necessary information to the Stock Exchange in terms of the Listing Agreement and other rules and regulations issued by the Securities Exchange Board of India.

10. General Shareholder Information

- i) AGM - Date, time and venue
 Saturday, 19th September, 2015 at 3.00 p.m.
 KSE Limited, Registered Office,
 Solvent Road, Irinjalakuda - 680 121.
- ii) Financial Year
 1st April 2015 to 31st March 2016
 Unaudited Results for First Quarter
 On or before 14th August, 2015
 Unaudited Results for Second Quarter
 On or before 14th November, 2015
 Unaudited Results for Third Quarter
 On or before 14th February, 2016
 Audited Results for year ending 31st March 2016
 On or before 30th May, 2016
- iii) Book Closure Date
 1st September, 2015 to 19th September, 2015 (both days inclusive)
- iv) Dividend Payment Date
 First interim dividend of ₹ 10 was paid in February, 2015 followed by a second interim dividend of ₹ 20 per equity share in March, 2015. A final dividend of ₹ 20 per equity share of ₹ 10 each has been recommended by the Board of Directors at its meeting held on 30th May, 2015 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be paid/dispatched on or after 19th September, 2015 as follows:
1. in respect of the shares in physical form, to those Members, whose names appear in the Register of Members as on 19th September, 2015, after giving effect to all valid share transfers in physical form lodged on or before 31st August, 2015.
 2. in respect of shares held in electronic form, to those members whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of 31st August, 2015.
- v) Listing on Stock Exchanges
 The Company's shares are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The regional stock exchanges of Cochin and Madras, wherein the shares of the Company were listed had stopped their operations. Shortly steps will be taken to list the shares of the Company in National Stock Exchange (NSE).
- vi) Stock Code
 BSE Limited 519421
- Vii) Market Price Data
 The monthly high and low prices and monthly volumes of the Company's shares at BSE for the year ended 31st March, 2015 are given below:

Month	High (₹)	Low (₹)	Volume (nos.)
April, 2014	239.95	221.05	2,952
May, 2014	255.75	209.25	4,427
June, 2014	375.60	268.50	20,522
July, 2014	399.00	340.50	11,441
August, 2014	412.00	360.10	14,273
September, 2014	440.00	361.00	11,460
October, 2014	402.00	351.50	3,551
November, 2014	611.85	375.00	14,165
December, 2014	620.00	541.00	9,779
January, 2015	722.30	544.95	11,775
February, 2015	730.00	544.65	59,735
March, 2015	730.00	651.00	27,618

viii) The Chart below shows the performance of your Company's share price in comparison with BSE Sensex during the financial year 2014-15 based on month end closing:



ix) Registrars and Share Transfer Agents
(both for physical and demat segment)

M/s. S.K.D.C. Consultants Limited
 Kanapathy Towers, 3rd Floor,
 1391/A-1, Sathy Road,
 Ganapathy, Coimbatore - 641 006.
 Telephone : 0422 6549995, 2539835-836 Fax : 0422 2539837
 E Mail : info@skdc-consultants.com

x) Share Transfer System

The Company's shares are under compulsory demat list and are transferable through Depository System. Both demat and physical share transfers are handled by M/s. S.K.D.C. Consultants Limited, Coimbatore. Members holding share certificates in physical form can transfer their shareholding by sending the share certificates, with a valid, duly executed and stamped transfer deed signed by the transferor and transferee and copy of PAN Card of transferee to the Registrars and Share Transfer Agents in the above address.

xi) Shareholding Pattern

Category	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoters' Holding				
Indian Promoters	10,23,364	31.98	10,46,610	32.71
Sub-total	10,23,364	31.98	10,46,610	32.71
Non-promoters' Holding				
Banks	—	—	—	—
Private Corporate Bodies	6,03,950	18.87	6,02,637	18.83
Indian Public	15,54,163	48.57	15,35,972	48.00
NRI/OCBs	18,523	0.58	14,781	0.46
Sub-total	21,76,636	68.02	21,53,390	67.29
Grand Total	32,00,000	100.00	32,00,000	100.00

xii) Distribution of share holding

No. of shares held	As at 31 st March, 2015				As at 31 st March, 2014			
	No. of Folios	%	No. of Shares	%	No. of Folios	%	No. of Shares	%
1 to 500	4,258	86.97	5,19,613	16.24	3,793	85.95	5,07,782	15.87
501 to 1000	226	4.62	1,75,402	5.48	215	4.87	1,66,470	5.20
1001 to 5000	316	6.44	6,78,660	21.21	304	6.89	6,45,459	20.17
5001 to 10000	37	0.76	2,46,531	7.70	41	0.93	2,73,818	8.56
10001 and above	59	1.21	15,79,794	49.37	60	1.36	16,06,471	50.20
Total	4,896	100.00	32,00,000	100.00	4,413	100.00	32,00,000	100.00

xiii) Dematerialisation of shares and liquidity

The Company has signed agreements for demat of shares of the Company with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN number of the Company is INE953E01014. The details of Shares demated as on 31.03.2015 are the following:

DEPOSITORY	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares	%	No. of Shares	%
NSDL	17,22,211	53.82	16,84,084	52.63
CDSL	4,81,516	15.05	4,36,143	13.63
Total Demat	22,03,727	68.87	21,20,227	66.26

xiv) Plant Location

The location of various plants of the Company along with address and phone numbers are provided in the outside back cover of the Annual Report.

xv) Address for correspondence

Chief Financial Officer and Company Secretary
KSE Limited
CIN L15331KL1963PLC002028
Irinjalakuda - 680 121, Kerala.

By Order of the Board

Sd/-

Dr. Jose Paul Thaliyath
(DIN : 01773031)
Chairman

Irinjalakuda
May 30, 2015

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As per the affirmations received from the Board Members and the Senior Management Personnel of the Company, it is declared that the Board Members and Senior Management Personnel of the Company have complied with the Revised Code of Conduct approved by the Board in its Meeting held on 12.08.2014.

By Order of the Board

Sd/-

M.C. Paul
(DIN : 00105776)
Managing Director

Irinjalakuda
May 30, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

The financial year 2014-15 was a favourable year for the Company. In the Animal feed division, the ingredient prices for animal feed were more or less steady through out the year, as the supply was normal and matched our requirements. There was no abnormal change in the ingredient prices, which helped to maintain the balance between the ingredient prices and the selling prices of feed during the year. Your Company could also maintain the selling rates of feed steady and this partly helped us to increase the sales volume. Since the margin was good on the sale of animal feed, we could generate steady revenue through out the year. Prudent purchase policy, fine-tuning of selling price, trimming of overheads, etc. helped us to generate more profit.

In the Oil cake processing division, the price of coconut oil during 2014-15 was always above ₹ 120/kg. and for a few months it was hovering between ₹ 145/kg. and ₹ 150/kg. At the same time, we could import sizable quantity of copra cake at competitive rates. The local arrival of copra cake was also good, and this helped us to retain the local price of copra cake at reasonable levels. All these favourable factors helped the segment to post excellent results.

In Dairy division the sales volume of ice cream was 1088 kl. close to the previous year volume of 1125 kl. In the previous year we could improve the volume by 17% and we could nearly maintain the volume of the previous year. We are taking steps to improve the sales volume of ice cream and thus improve the capacity utilisation. We were also enjoying the advantage of difference in milk procurement price in Kerala and Tamil Nadu since our main market for milk is in Kerala. In July 2014 there was an upward revision in the milk prices in Kerala by ₹ 3 a litre. The procurement price of milk in Tamil Nadu went up during the year 2014-15. Thus the advantage of the spread between the procurement price of milk in Tamil Nadu and the sales realisation thereof in Kerala became very thin and the profitability of the Dairy division as a whole was affected. In year 2015-16 the situation has changed, as there is fall in the procurement rate of milk, and this is expected to improve the profitability of Dairy Division. It is imminent that the selling rate of milk has to be increased, to absorb the increased cost of production.

2. Opportunities and Threats

The advantages to your Company in cattle feed and cake processing industry are (1) its vast experience in those industries for over 42 years (2) its leadership in the market (3) acceptability of the feed and its quality standards in the market (4) prompt after-sales service and good customer relation (5) a lot of prestigious awards and recognitions to prove consistent quality and leadership (6) good network of dealership (7) talented technical and marketing personnel (8) judicious purchase of materials and (9) financial strength of the Company leading to better purchasing power and helping to build up stock on favourable situations. The threats to the Company in these two segments are (1) competition from other manufacturers of organised and unorganised sectors, mostly of recent origin with lower overhead as regards labour (2) probable entry of multinational entities (3) upward revision of fuel price leading to increase in the price of ingredients manifold (4) the volatile rupee Vs. dollar situation acts as a non-stimulant in import transactions (5) granting of subsidy by the Government on animal feed selectively avoiding private manufacturers (6) indirect control by Government over price of milk acts as a blockade, at times, in passing off of cost escalation to the consumers (7) switching of crop by farmers from oil seeds and grains, required by us as ingredients, to other crops (8) severe shortage in availability of manual local labour leads to increase the cost of labour as these two segments are highly labour oriented and (9) import of cheaper oils for industrial consumption leading to fall in demand for solvent extracted coconut oil. Your Company is tackling these issues appropriately, by taking timely actions.

The advantages to your Company in Dairy segment are (1) reputation and brand image of the Company for the quality of its products and (2) financial strength of the Company helping to withstand the unhealthy market competitions. The threats to the industry are (1) unhealthy competition from small players dealing with inferior quality products and (2) entry of big players including multinational corporations in the segment catered by your Company (3) Any steps by the Government to further increase Excise duty/VAT on ice cream will take away the margin on sale of ice cream.

3. Segmentwise Productwise Performance

Disease among cattle in the State of Kerala and Tamil Nadu during the second half of 2013-14 reduced the aggregate market demand of feed considerably and the volume growth of feed was very nominal in that year. In year 2014-15 however, we could improve the volume of sale from 4.01 lakhs tons to 4.40 lakhs tons. Due to stable ingredient cost, the margin for the reporting year was good. The Animal Feed Segment reported a profit of ₹ 2580.57 lakhs for the year 2014-15 compared to a profit of ₹ 1701.50 lakhs in the preceding year.

In the Oil cake processing division, the processing volume improved from 64,000 tonnes in the previous year to 68,500 tonnes in the financial year 2014-15. We could import sizable quantity of copra cake during the year under report at very reasonable cost. The local supply was also very good and the price thereto was steady and normal. The price of coconut oil also was above ₹ 120.00/kg. throughout the year and was more or less steady. Thus this Segment had generated a profit of ₹ 2956.03 lakhs compared to a profit of ₹ 784.44 lakhs in the previous year. For the year 2015-16 we have already taken steps to import sufficient quantity of copra cake to ensure regular production.

Dairy division reported a profit of ₹ 19.98 lakhs compared to ₹ 159.69 lakhs in the previous year. The volume of sale of ice cream was maintained at the same level as that of previous year at 1088 kl. compared to 1125 kl. in the previous year. The margin on sale of milk has reduced as explained earlier and that was the reason for the fall in the profits of Dairy division. We are giving utmost attention for improving the utilisation of capacities in Thalayuthu and Vedagiri ice cream units.

4. Outlook

The first two months of year 2015-16 witnessed a trend of gradual increase in the ingredient prices. We are closely monitoring the trend in ingredient prices, and if the indications are for a permanent increase, then the selling price of feed will be increased proportionately. The year 2014-15 was a bumper year since all the business conditions were favourable to your Company. With the available information on hand, it is reasonably expected that the Animal feed division and the Oil cake processing division will perform satisfactorily in year 2015-16 but there is every chance that the performance will be a little below than that of year 2014-15 where in all most all the factors were favourable throughout the year. We have added capacities to meet the increased demand. As there is chance for the Government of Kerala and Tamil Nadu to increase the price of milk, which will further help to boost the cattle rearing, we expect an increased demand for cattle feed in 2015-16. Local copra cake is available in sufficient quantity at reasonable price. We are also importing copra cake which is cheaper than that locally available. It is expected that the quantity of processing of copra cake will improve further as the availability is good. The Dairy division is expected to perform better in the year 2015-16. The margin on milk is improving. We are taking all efforts to improve the volume of sale of ice cream in Thalayuthu and Vedagiri ice cream units. Once we are able to improve the volume, the Dairy division will generate higher revenue.

5. Risks and Concerns

As regards Animal feed, we are mainly depending on materials from northern States moved by rail. Due to the decontrol of diesel price, railway freight may go up further. Off late, the price of all major ingredients show a tendency to increase, and margin may be affected. We are making suitable adjustment in the selling price of animal feed, in tune with raw material price. At present, there is good demand for animal feed, both in Kerala and Tamil Nadu. In Tamil Nadu, production of skim milk powder has been reduced considerably, due to fall in international price by half. Hence the demand for milk in that State may be affected seriously. As a result of paucity of demand for milk, the procurement price of milk will be reduced. This may in turn slightly affect our feed sales in Tamil Nadu, as cattle farming will become uneconomical for the time-being to the farmers in that State.

At present the price of coconut oil is around ₹ 130/kg. now and is expected to further firm up in the coming days. As a result, the Oil cake processing will be profitable. We have arranged to import Copra cake at competitive rates. We are hopeful of maintaining the profitability of Oil cake processing division in 2015-16. The Dairy division is also expected to perform well by increased volume of ice cream sales with improved margin. No risks or concerns are perceived by the management, other than those already discussed above.

6. Internal Control Systems and their adequacy

There are adequate internal control systems in vogue in all spheres of operations of the Company so as to ensure safety to its assets against loss. These internal controls are designed in such a way to ensure adequate accounting and financial controls. The internal control system is being continuously reviewed by the management and adequate steps are taken for improvement, wherever felt. Internal audits are being carried out regularly in all the Units. The internal audit reports and the corrective actions taken for the shortcomings reported in those reports, if any, are being discussed in the meetings of the Audit Committee.

7. Financial and Operational Performance

The total turnover during the year under review improved by 11.50 % compared to immediately preceding year. The increase in turnover has been mainly contributed by the increase in the selling rate of cattle feed, de-oiled coconut cake and coconut oil. The sale of cattle feed, in quantity terms, improved by 9.50 % compared to previous year. The after tax profits of the Company is ₹ 4,363.41 lakhs as against ₹ 1,537.36 lakhs in the previous year. The after tax profit of ₹ 4,363.41 lakhs for the year 2014-15 includes profit on sales of landed properties at Mysore of ₹ 1,045.71 lakhs.

The animal feed division generated a profit of ₹ 2580.57 lakhs compared to previous year figure of ₹ 1,701.50 lakhs. The rate of coconut oil was above ₹ 120 /kg. which went upto ₹ 150/kg. for few months during the year 2014-15. Though the price of coconut oil cake maintained at the increased levels, due to the higher realisation for the oil extracted by us, the Oil cake processing division could make a profit of ₹ 2,956.03 lakhs as against a profit of ₹ 784.44 lakhs in the previous year. The volume of sales of ice cream was 1088 kl. compared to 1125 kl. in the previous year. Mainly due to the erosion of margin for milk, the profit of Dairy division had a steep fall at ₹ 19.98 lakhs compared to previous year figures of ₹ 159.69 lakhs. We are taking all efforts to improve the production and sale volume of ice cream.

8. Industrial Relation

The Company has 896 employees on its rolls as on 31.3.2015. The Company is an exception to the adverse labour conditions existing in Kerala. There were no serious labour issues, in any of the Units of the Company during the year 2014-15. The long term settlements for a period of three years have been signed with the employees of Koratty and Palakkad Units effective from 1st January, 2014 and from 1st August, 2013 respectively. Further, the long term settlements with the employees of Swaminathapuram and Vedagiri units expired during the year. The long term settlement for a period of three years from 1st May, 2014 has been signed with the representatives of employees of Swaminathapuram Unit. The discussion with the representatives of the employees of Vedagiri Unit is in progress, which is expected to be completed shortly. The management continues to maintain cordial industrial relation with its employees in all Units and is attending to their grievances with an open mind.

9. Caution

The views and statements expressed or implied in the Management Discussion and Analysis are based on the current available information, experience and our own judgement. There could be possibilities for alteration of situations. The Company's actual performance may differ as a result of unforeseen events on which the management has no direct control.

Irinjalakuda
 May 30, 2015

By Order of the Board

Sd/-
Dr. Jose Paul Thaliyath
 (DIN : 01773031)
 Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
 The Members of KSE Limited
 Irinjalakuda

We have examined the compliance of conditions of Corporate Governance by KSE Limited for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is primarily the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

Based on the report given by the Company's Registrar and Share Transfer Agents, we state that no investors' grievance matter is pending for a period exceeding one month, against the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Thrissur
 May 30, 2015

For **VARMA & VARMA**
 (Firm No. 004532 S)
 Sd/-
(C. Pankajakshan, M. No. 12948)
 Partner
 Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To

The Members of KSE Limited
 Irinjalakuda

Report on the Financial Statements

We have audited the accompanying financial statements of KSE Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information contained in the notes to accounts.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with the accounting policies and other notes attached thereto, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29.3 and 29.4 to the financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Thrissur
 May 30, 2015

For **VARMA & VARMA**
 (Firm No. 004532 S)
 Sd/-
(C. Pankajakshan, M. No. 12948)
 Partner
 Chartered Accountants

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE

- In respect of fixed assets -
 - The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - We are informed that most of the fixed assets of the Company have been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets and that no material discrepancy has been noticed on such verification.
- In respect of inventories -
 - We are informed that the inventory has been physically verified by the management at the year end, which, in our opinion, is reasonable having regard to the size of the company and the nature of its business.
 - In our opinion and according to the explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - The Company is maintaining proper records of inventory, and as informed to us, discrepancies of material nature were not noticed on physical verification by the management.
- The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company, being primarily a manufacturing Company, is not rendering any services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
5. In respect of deposits accepted by the Company from the public, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under, wherever applicable, have been complied with.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. In respect of statutory dues -
 - (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, except for certain minor delays in remittance of undisputed Income tax deducted at source, the Company has been generally regular in depositing undisputed provident fund and employees' state insurance dues, sales tax, value added tax, wealth tax, service tax, income tax, customs duty, excise duty, cess and other statutory dues during the year. There are no arrears of undisputed statutory dues of material nature outstanding for a period of more than six months from the date on which they became payable.
 - (b) According to the information and explanations given to us and as per the records of the Company examined by us, the following disputed amount of statutory dues have not been deposited with the relevant authorities as at 31st March 2015 as per details given below:

Name of the statute	Nature of the dues	Amount ₹ in lakhs	Period to which the amount relates	Forum where dispute is pending
KGST Act, 1963	Sales tax	25.40	F.Y. 2000-01	Asst. Commissioner (Assessment)
Customs Act, 1962	Customs duty	45.07	F.Y. 2008-09	CESTAT, Bangalore
Customs Act, 1962	Customs duty	1.98	F.Y. 2009-10	CESTAT, Bangalore

- (c) According to the information and explanations given to us and as per the records of the Company examined by us, the amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
8. There are no accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year and in the immediately preceding financial year.
9. According to the information and explanations given to us and as per the records of the Company verified by us, the Company has not defaulted in repayment of dues to banks.
10. According to the information and explanations given to us and as per the records of the Company verified by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. The Company has not availed any term loans during the year.
12. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have been informed of such case by the Management.

For **VARMA & VARMA**

(Firm No. 004532 S)

Sd/-

(**C. Pankajakshan**, M. No. 12948)

Partner

Chartered Accountants

BALANCE SHEET AS AT 31ST MARCH 2015

	Note No.	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
I EQUITY AND LIABILITIES					
1. Shareholders' funds					
a) Share Capital	2	320.00		320.00	
b) Reserves and Surplus	3	6,861.07	7,181.07	4,538.09	4,858.09
2. Non-current liabilities					
a) Long-term borrowings	4	528.48		649.25	
b) Deferred tax liability (Net)	5	—		155.32	
c) Long-term provisions	6	54.58	583.06	39.75	844.32
3. Current liabilities					
a) Short-term borrowings	7	831.60		728.90	
b) Trade payables	8	1,633.16		865.64	
c) Other current liabilities	9	2,550.05		1,475.54	
d) Short-term provisions	10	1,023.60	6,038.41	777.80	3,847.88
TOTAL			13,802.54		9,550.29
II ASSETS					
1. Non-current assets					
a) Fixed Assets					
i) Tangible assets	11	2,718.54		3,597.32	
ii) Intangible assets	12	15.66		29.64	
iii) Capital work-in-progress	13	11.11	2,745.31	26.72	3,653.68
b) Non-current Investments	14		2.50		7.50
c) Deferred tax asset	5		24.82		—
d) Long-term loans and advances	15		112.37		94.80
2. Current assets					
a) Inventories	16	6,600.66		4,969.90	
b) Trade receivables	17	28.71		16.99	
c) Cash and cash equivalents	18	3,777.75		314.41	
d) Short-term loans and advances	19	496.29		483.94	
e) Other current assets	20	14.13	10,917.54	9.07	5,794.31
TOTAL			13,802.54		9,550.29
Significant accounting policies	1				
Additional Information	29				

The accompanying notes are an integral part of the financial statements

Jose Paul Thaliyath
Chairman (DIN : 01773031) Sd/-

M.C. Paul
Managing Director (DIN : 00105776) Sd/-

As per our report of
even date attached
For **VARMA & VARMA**
(Firm No. 004532 S)

R. Sankaranarayanan
Chief Financial Officer
and Company Secretary Sd/-

P.K. Varghese
Executive Director (DIN : 00106697) Sd/-

A.P. George, Director & Legal Advisor
(DIN : 00106808) Sd/-

Sd/-
C. Pankajakshan
(M. No. 12948)
Partner
Chartered Accountants

May 30, 2015

P.D. Anto
Director (DIN : 00106965) Sd/-

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Note No.	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
REVENUE			
Revenue from operations			
Sale of products		89,998.16	80,657.52
Less : Excise duty		28.11	27.19
Other income	21	163.11	89.78
Total Revenue		90,133.16	80,720.11
EXPENSES			
Cost of Materials consumed	22	74,076.96	69,180.24
Changes in inventories of finished goods	23	(57.69)	(58.61)
Employee benefits expense	24	3,383.04	2,857.88
Finance costs	25	194.49	236.66
Depreciation and amortisation expense	26	636.19	375.77
Other expenses	27	6,556.95	5,784.30
Total expenses		84,789.94	78,376.24
Profit before exceptional and extraordinary items and tax		5,343.22	2,343.87
Exceptional item - See Note 29.5		1,045.71	—
Profit before extraordinary items and tax		6,388.93	2,343.87
Extraordinary items		—	—
Profit before tax		6,388.93	2,343.87
Tax Expenses			
Current tax		2,150.00	830.00
Relating to earlier years (net)		(5.19)	(8.52)
Deferred tax (net)		(119.29)	(14.97)
Profit for the year		4,363.41	1,537.36
Basic and diluted earnings per equity share (₹)	28	136.36	48.04
Nominal value per equity share (₹)		10.00	10.00
Significant accounting policies	1		
Additional Information	29		

The accompanying notes are an integral part of the financial statements

Jose Paul Thaliyath
Chairman (DIN : 01773031) Sd/-

R. Sankaranarayanan
Chief Financial Officer
and Company Secretary Sd/-

May 30, 2015

M.C. Paul
Managing Director (DIN : 00105776) Sd/-

P.K. Varghese
Executive Director (DIN : 00106697) Sd/-

A.P. George, Director & Legal Advisor
(DIN : 00106808) Sd/-

P.D. Anto
Director (DIN : 00106965) Sd/-

As per our report of
even date attached
For **VARMA & VARMA**
(Firm No. 004532 S)

Sd/-
C. Pankajakshan
(M. No. 12948)
Partner
Chartered Accountants

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	6,388.93	2,343.87
Adjustments for:		
Depreciation and amortisation	636.19	375.77
Finance costs	194.49	236.66
Interest income from banks	(13.62)	(5.55)
Provision for diminution in value of non-current investment	5.00	
Dividend income	(71.38)	(5.32)
Exceptional item - profit on sale of land	(1,045.71)	
Loss on sale of fixed assets	3.62	597.71
Operating profit before working capital changes	6,097.52	2,941.58
Adjustments for:		
Inventories	(1,630.76)	(232.75)
Trade receivables, loans & advances and other current assets	(39.39)	(138.95)
Trade payables, other current liabilities and provisions	1,095.80	211.46
Cash generated from operations	5,523.17	2,781.34
Income-tax paid	1,920.52	839.71
Net cash from operating activities	3,602.65	1,941.63
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(155.99)	(99.91)
Sale of fixed assets	1,291.20	18.76
Purchase of investments	(5,578.77)	(1005.32)
Redemption of investments	5,578.77	1005.32
Interest income from banks	6.31	7.12
Dividend income	71.38	5.32
Net cash from / (used in) investing activities (b)	1,212.90	(68.71)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds /(repayment) of short-term bank borrowings	109.41	(1,207.73)
Repayment of term loan from Banks	—	(141.54)
Acceptance of public deposits	298.10	308.14
Repayment of public deposits	(338.77)	(285.74)
Finance costs	(194.49)	(236.66)
Dividends paid (including dividend distribution tax)	(1,226.46)	(370.76)
Net cash used in financing activities (c)	(1,352.21)	(1,934.29)
D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a) + (b) + (c)	3,463.34	(61.37)
Cash and cash equivalents at the beginning of the year	314.41	375.78
Cash and cash equivalents at the close of the year	3,777.75	314.41
E NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	3,463.34	(61.37)

Note : Cash and cash equivalents include ₹ 714.18 lakhs (Previous year ₹ 39.93 lakhs) under unpaid dividend account with Banks, ₹ 110 lakhs (Previous year ₹ 40 lakhs) under deposit repayment reserve account and ₹ 7.96 lakhs (Previous year ₹ 7.51 lakhs) as margin money deposits against bank guarantees which are not available for immediate use.

Jose Paul Thaliyath
Chairman (DIN : 01773031) Sd/-

M.C. Paul
Managing Director (DIN : 00105776) Sd/-

As per our report of
even date attached
For **VARMA & VARMA**
(Firm No. 004532 S)

R. Sankaranarayanan
Chief Financial Officer
and Company Secretary Sd/-

P.K. Varghese
Executive Director (DIN : 00106697) Sd/-

A.P. George, Director & Legal Advisor
(DIN : 00106808) Sd/-

Sd/-
C. Pankajakshan
(M. No. 12948)
Partner
Chartered Accountants

May 30, 2015

P.D. Anto
Director (DIN : 00106965) Sd/-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

- i) **Basis of Accounting:** The financial statements are prepared under historical cost convention on accrual basis of accounting in conformity with the accounting principles generally accepted in India (Indian GAAP) and are in compliance with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- ii) **Use of Estimates:** The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which the results are known / materialised.
- iii) **Fixed Assets:**
 - (a) Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation / amortisation and impairment in value if any, is adjusted.
 - (b) As at the balance sheet date an assessment is done to determine whether there is any indication of impairment in the carrying amount of fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.
- iv) **Depreciation and amortisation:** Depreciation on fixed assets has been provided on written down value method. The useful lives adopted are as prescribed in Schedule II of the Companies Act, 2013, except for leasehold land which is amortised over the period of lease. Intangible assets are amortised over a period of five years.
- v) **Investments:** Long-term investments are stated at cost less provision for diminution, if any, in the value of such investments, other than that of temporary nature. Current investments are carried at lower of cost or fair value.
- vi) **Inventories:** Inventories as at the close of the year are valued at lower of cost or net realisable value. Cost includes cost of purchases, conversion and other costs, as the case may be, incurred in bringing the inventories to their present location / condition, determined on the following methods:

<ol style="list-style-type: none"> (a) Raw materials (b) Packing materials (c) Stores & spares and consumables: <ol style="list-style-type: none"> i. Furnace Oil, Diesel and Boiler Fuel ii. Others 	<ol style="list-style-type: none"> - First In First Out (FIFO) - First In First Out (FIFO) - First In First Out (FIFO) - At weighted average cost
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- vii) **Foreign Currency Transactions, Forward Contracts and Derivatives:** Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gains / losses arising during the year are adjusted to the Statement of Profit and Loss.

 Premium or discount arising on inception of forward exchange contracts, which are intended to hedge the foreign currency risk of existing assets or liabilities has been amortised as income / expense over the life of the contract and exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

 Exchange gains or losses on derivative instruments entered to hedge risks associated with foreign currency fluctuations and on forward exchange contracts, which are intended to hedge the foreign currency risks of future transactions in respect of which firm commitments are made or which are highly probable forecast transactions are determined by marking such contracts outstanding on Balance Sheet date to market. Exchange loss arising on such instruments / contracts is provided in the accounts, while gains are not recognised in accordance with the Announcement on Accounting for Derivatives issued by the Institute of Chartered Accountants of India.
- viii) **Revenue Recognition:** Sales are recognised on transfer of title of the goods to the customers. Other incomes are recognised on accrual basis except when there are significant uncertainties.
- ix) **Claims:** Claims are accounted for as and when finally determined / settled.
- x) **Grants / Subsidies related to capital assets:** Grants / Subsidies received, specifically related to capital asset, are credited to the carrying cost of the respective asset. Other Grants / Subsidies received are credited to capital reserve.

xi) Employee Benefits
A. Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

B. Post-employment benefits:
(a) Defined contribution plans

Defined contribution plans are Provident Fund Scheme and Employees' State Insurance Scheme administered by the Government for all eligible employees. The Company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

(b) Defined benefit gratuity plan

Payment of gratuity to employees is managed by the KSE Employees Group Gratuity Fund Trust through Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any, and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

Gratuity in respect of whole-time directors is provided for on gross undiscounted basis and charged to Statement of Profit and Loss.

Past service cost is recognised immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested.

C. Other long term employee benefits

The company has a scheme for compensated absences for eligible employees. The company makes contributions to the Scheme of the Life Insurance Corporation of India. The net present value of the obligation for compensated absences as determined on independent actuarial valuation, conducted annually using the projected unit credit method and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

xii) Borrowing Cost: Borrowing costs that are attributable to the acquisition or construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

xiii) Taxes on Income: Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

xiv) Segment Reporting: The Company's primary segments (business segments) have been identified as (a) Animal Feed Division (b) Oil Cake Processing Division and (c) Dairy Division comprising milk and milk products including ice cream. There are no reportable geographical segments. Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable estimate. The expenses, which are not directly attributable to any of the business segment are shown as unallocated expenditure. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocated assets and liabilities respectively. Inter segment transfer of processed materials are accounted considering the estimated realisable value of such goods.

xv) Provisions and Contingencies: Provisions for losses and contingencies arising as a result of a past event where the management considers it probable that a liability may be incurred are made on the basis of the best reliable estimates of the expenditure required to settle the present obligation on the balance sheet date and are not discounted to its present value. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Other contingent liabilities to the extent management is aware is disclosed by way of notes to accounts.

xvi) Earnings per share: Basic / diluted earnings per share is calculated by dividing the net profit / loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares / dilutive potential equity shares outstanding as at the end of the year as the case may be.

2. SHARE CAPITAL

Particulars	Par value each ₹	As at 31.03.2015		As at 31.03.2014	
		Number	₹ in lakhs	Number	₹ in lakhs
Authorised:					
Equity shares	10	99,40,000	994.00	99,40,000	994.00
13.50 % Redeemable cumulative preference shares	100	6,000	6.00	6,000	6.00
		99,46,000	1,000.00	99,46,000	1,000.00
Issued:					
Equity shares	10	32,02,820	320.28	32,02,820	320.28
Subscribed and Paid up:					
Equity shares	10	32,00,000	320.00	32,00,000	320.00
Note 2.1	Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year				
	Outstanding at the beginning of the year	32,00,000	320.00	32,00,000	320.00
	Add : Issued during the year	—	—	—	—
	Outstanding at the end of the year	32,00,000	320.00	32,00,000	320.00

Note 2.2 Terms/rights, Preferences and Restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in the case of interim dividend, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of directors declared two interim dividends of ₹ 10 per share and ₹ 20 per share on equity share of ₹ 10 each at their meetings held on 12th February, 2015 and 25th March, 2015 respectively. Further, the Board of Directors at its meeting held on 30th May, 2015 has recommended a final dividend of ₹ 20 per equity share of ₹ 10 each, subject to approval of shareholders at the ensuing annual general meeting. The total dividend appropriation for the year ended 31st March, 2015 amounts to ₹ 1922.23 lakhs, including dividend distribution tax of ₹ 322.23 lakhs.

In the case of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential claims as provided in the Companies Act, 2013. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 2.3 Details of shareholders holding more than 5 % of the equity shares:

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	% of holding	Number of shares	% of holding
PJD Properties and Investments P. Ltd.	5,45,031	17.03%	5,33,267	16.66%

Note 2.4 There was no fresh issue or buying back of shares in the preceding five years.

Note 2.5 There was neither bonus issue nor any other issue of shares in the preceding five years.

3. RESERVES AND SURPLUS

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Capital Reserve		78.18		78.18
Capital Redemption Reserve		3.00		3.00
Securities Premium Reserve		162.24		162.24
General Reserve				
Balance at the beginning of the year	3,800.00		3,100.00	
Add : Transfer from Surplus	1,700.00	5,500.00	700.00	3,800.00
Gratuity Reserve		154.97		154.97
Surplus				
Balance at the beginning of the year	339.70		251.11	
Add : Profit for the year	4,363.41		1,537.36	
Less : Adjustments relating to fixed assets - See Note 11.1	(118.20)		—	
Less : Transfer to General Reserve	(1,700.00)		(700.00)	
Less : Interim Dividend	(960.00)		—	
Less : Proposed Dividend	(640.00)		(640.00)	
Less : Dividend distribution tax	(322.23)	962.68	(108.77)	339.70
Total		6,861.07		4,538.09

Note 3.1 The Board of directors declared two interim dividends of ₹ 10 per share and ₹ 20 per share on equity share of ₹ 10 each. Further, the Board of Directors has recommended a final dividend of ₹ 20 per equity share of ₹ 10 each.

4. LONG TERM BORROWINGS

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Public Deposits - Unsecured	528.48	649.25

Note 4.1 See Note 9 for current maturities of long-term debt.

Note 4.2 Public Deposits were accepted under the Companies (Acceptance of Deposits) Rules, 2014. Rate of interest and terms of repayment of Public Deposits are as under:

	Rate of Interest	Balance as on 31.03.2015 ₹ in lakhs	Balance as on 31.03.2014 ₹ in lakhs
(a) One year	10.00 % p.a.	—	8.98
(b) One year	9.00 % p.a.	18.82	16.55
(c) Two years	10.00 % p.a.	32.30	33.33
(d) Three years	11.00 % p.a.	872.21	905.14
Total		923.33	964.00

Note 4.3 Public Deposits include deposits accepted from Directors ₹ 1.48 lakhs (Previous year ₹ 3.96 lakhs) on the same terms and conditions as applicable to other depositors.

5. DEFERRED TAX ASSET / (LIABILITY) - NET

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Deferred tax asset / (liability) on account of		
- accumulated depreciation difference	3.29	(177.23)
- Provision for employees' benefits	19.19	13.81
- Others	2.34	8.10
Net deferred tax asset / (liability)	24.82	(155.32)

6. LONG TERM PROVISIONS

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Provision for employee benefits - Gratuity (gross - undiscounted) - See Note 1. xi	54.58	39.75

7. SHORT TERM BORROWINGS

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Loans repayable on demand from Banks - Secured				
- Cash credit	212.78		703.37	
- Short term loan	600.00	812.78	—	703.37
Public Deposits - Unsecured		18.82		25.53
Total		831.60		728.90

Note 7.1 The cash credit and short term loans are secured by (1) First Charge by way of hypothecation of all current assets of the Company and Plant and Machinery of Irinjalakuda and Konikkara Units; and (2) Equitable mortgage of immovable properties of Irinjalakuda and Konikkara Units by deposit of title deeds.

Note 7.2 See Note 4.2 for rate of interest and terms of repayment of public deposits.

8. TRADE PAYABLES

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Micro, Small and Medium Enterprises	—	0.69
Others	1,633.16	864.95
Total	1,633.16	865.64

Note 8.1 The amount due to Micro, Small and Medium Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
(i) Principal amount due and remaining unpaid to any supplier as at the end of each accounting year	—	—
(ii) Interest due on the above and remaining unpaid to any supplier as at the end of each accounting year	—	—
(iii) Interest paid by the company along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	—	—
(v) Interest accrued and remaining unpaid at the end of each accounting year	—	—
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	—	—

9. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Current Maturities of long-term debt		
- Public Deposits - Unsecured	376.03	289.22
Interest accrued but not due on public deposits	120.87	116.30
Unpaid dividend	714.18	39.93
Unpaid matured deposits and interest accrued thereon	0.21	0.23
Security deposits	100.17	98.84
Advance from customers	322.97	224.28
Employee benefits expenses payable	572.52	331.66
Creditors for expenses	247.71	161.41
Advance received against sale of property	—	100.00
Other liabilities	95.39	113.67
Total	2,550.05	1,475.54

Note 9.1 Public Deposits include deposits accepted from Directors ₹ 2.96 lakhs (Previous year ₹ 5.10 lakhs) on the same terms and conditions as applicable to other depositors.

Note 9.2 Interest accrued but not due on public deposits includes ₹ 0.37 lakh (Previous year ₹ 0.30 lakh) due to Directors.

Note 9.3 See Note 4.2 for rate of interest and terms of repayment of public deposits.

Note 9.4 Unpaid dividend includes second interim dividend of ₹ 20 per equity share amounting to ₹ 640 lakhs declared by the Board of Directors on 25th March, 2015 and not distributed as on 31st March, 2015.

10. SHORT TERM PROVISIONS

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Proposed Dividend	640.00	640.00
Dividend distribution tax	130.29	108.77
Taxation (net of advance tax)	253.31	29.03
Total	1,023.60	777.80

11. TANGIBLE ASSETS

₹ in lakhs

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost as at 01.04.2014	Additions	Sales/ Adjustments	Cost as at 31.03.2015	Up to 01.04.2014	For the year	Transitional Adjustment	Sales/ Adjustments	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
Land and Land development	1,046.85 <i>1,046.85</i>	19.54 —	215.81 —	850.58 <i>1,046.85</i>	— —	— —	— —	— —	— —	850.58 <i>1,046.85</i>	1,046.85 <i>1,046.85</i>
Leasehold Land	105.60 <i>105.60</i>	— —	— —	105.60 <i>105.60</i>	11.72 <i>10.52</i>	1.20 <i>1.20</i>	— —	— —	12.92 <i>11.72</i>	92.68 <i>93.88</i>	93.88 <i>95.08</i>
Buildings	2,586.77 <i>2,597.72</i>	22.90 <i>6.17</i>	49.68 <i>17.12</i>	2,559.99 <i>2,586.77</i>	1,279.58 <i>1,209.35</i>	230.54 <i>79.93</i>	140.56 —	21.21 <i>9.70</i>	1,629.47 <i>1,279.58</i>	930.52 <i>1,307.19</i>	1,307.19 <i>1,388.37</i>
Plant and Equipments	3,865.18 <i>3,828.95</i>	91.61 <i>68.19</i>	24.98 <i>31.96</i>	3,931.81 <i>3,865.18</i>	2,843.35 <i>2,631.68</i>	329.30 <i>240.89</i>	20.41 —	20.15 <i>29.22</i>	3,172.91 <i>2,843.35</i>	758.90 <i>1,021.83</i>	1,021.83 <i>1,197.27</i>
Furniture and Fixtures	100.07 <i>98.70</i>	1.45 <i>1.37</i>	— —	101.52 <i>100.07</i>	88.07 <i>85.49</i>	3.75 <i>2.58</i>	3.30 —	— —	95.12 <i>88.07</i>	6.40 <i>12.00</i>	12.00 <i>13.21</i>
Vehicles	166.98 <i>161.67</i>	28.59 <i>22.55</i>	0.16 <i>17.24</i>	195.41 <i>166.98</i>	94.08 <i>87.58</i>	33.15 <i>19.37</i>	0.01 —	0.16 <i>12.87</i>	127.08 <i>94.08</i>	68.33 <i>72.90</i>	72.90 <i>74.09</i>
Office Equipments	142.54 <i>137.76</i>	7.51 <i>6.02</i>	0.49 <i>1.24</i>	149.56 <i>142.54</i>	99.87 <i>82.92</i>	24.27 <i>17.81</i>	14.78 —	0.49 <i>0.86</i>	138.43 <i>99.87</i>	11.13 <i>42.67</i>	42.67 <i>54.84</i>
Total Tangible Assets	8,013.99 <i>7,977.25</i>	171.60 <i>104.30</i>	291.12 <i>67.56</i>	7,894.47 <i>8,013.99</i>	4,416.67 <i>4,107.54</i>	622.21 <i>361.78</i>	179.06 —	42.01 <i>52.65</i>	5,175.93 <i>4,416.67</i>	2,718.54 <i>3,597.32</i>	3,597.32 <i>3,869.71</i>

Note 11.1 In terms of Section 123 and Schedule II of the Companies Act 2013 (the Act) applicable with effect from 01.04.2014, depreciation for the year ended 31.03.2015 has been provided on the basis of the useful lives of assets as prescribed in Schedule II of the Act. As a result, the depreciation charged for the year ended 31.03.2015 is higher by ₹ 313.84 lakhs. An amount of ₹ 118.20 lakhs (Net of deferred tax ₹ 60.86 lakhs) has been adjusted against the opening balance of Retained Earnings in respect of the assets which have no remaining useful life as per the transitional provisions specified in Schedule II of the Act.

Note 11.2 Company has adopted residual value less than 5 % of the original cost for some items of the fixed assets, based on technical advice.

12. INTANGIBLE ASSETS

₹ in lakhs

	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost as at 01.04.2014	Additions	Sales/ Adjustments	Cost as at 31.03.2015	Up to 01.04.2014	For the year	Sales/ Adjustments	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
Softwares	69.93 69.77	— 0.16	— —	69.93 69.93	40.29 26.30	13.98 13.99	— —	54.27 40.29	15.66 29.64	29.64 43.47

Figures in italics denote the corresponding figures for the previous year.

13. CAPITAL WORK IN PROGRESS

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Buildings	6.43	0.76
Plant and Equipments	4.68	25.96
Total	11.11	26.72

14. NON-CURRENT INVESTMENTS

Particulars	Face value each ₹	As at 31.03.2015		As at 31.03.2014	
		No. of shares	₹ in lakhs	No. of Shares	₹ in lakhs
In Equity Instruments - (Non-trade)					
At Cost (fully paid up - Unquoted)					
a) Jeevan Telecasting Corporation Ltd.	1,000	200	2.00	200	2.00
b) Kerala Enviro Infrastructure Ltd.	10	5,000	0.50	5,000	0.50
c) Cochin Waste 2 Energy Private Ltd.	10	50,000	5.00	50,000	5.00
Less : Provision for diminution in value			(5.00)		
d) Coconut Oil & Copra Producers' Co-Op. Society Ltd.	100	1	0.00	1	0.00
Total			2.50		7.50

15. LONG-TERM LOANS AND ADVANCES

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Unsecured - Considered good		
Capital Advances	—	2.00
Security Deposits	90.14	83.68
Other Loans and Advances		
- Commercial Advance	—	7.20
- Loans to Employees	22.23	1.92
Total	112.37	94.80

16. INVENTORIES

Particulars	As at 31.03.2015 ₹ in lakhs	As at 31.03.2014 ₹ in lakhs
Raw materials	5,023.66	3,440.64
Finished goods	1,007.62	949.93
Packing materials	257.11	309.96
Stores & spares and consumables	312.27	269.37
Total	6,600.66	4,969.90

See Note 1 (vi) for method of valuation of inventories.

17. TRADE RECEIVABLES

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
(i) Considered good				
Debts outstanding for a period exceeding 6 months from the date they are due for payment				
Secured	2.05		2.22	
Unsecured	0.80	2.85	1.16	3.38
Other debts				
Secured	5.93		5.31	
Unsecured	19.93	25.86	8.30	13.61
(ii) Considered doubtful				
Debts outstanding for a period exceeding 6 months from the date they are due for payment- unsecured	1.59		12.82	
Less: Provision for doubtful debts	(1.59)	—	(12.82)	—
Total		28.71		16.99

18. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Balance with Banks	3,604.53		171.64	
Cheques/drafts on hand	113.09		102.82	
Cash on hand	60.07		39.87	
Stamps on hand	0.06		0.08	
Total	3,777.75		314.41	

Note 18.1 Balance with banks include restricted bank balances of ₹ 832.14 lakhs (Previous year ₹ 87.44 lakhs) and time deposit with banks with a maturity of more than 12 months ₹ 0.02 lakh (Previous year ₹ 0.02 lakh). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees ₹ 7.96 lakhs (Previous year ₹ 7.51 lakhs) and earmarked bank balances for (1) unpaid dividends ₹ 714.18 lakhs (Previous year ₹ 39.93 lakhs) and (2) deposit repayment reserve account ₹ 110.00 lakhs (Previous year ₹ 40 lakhs).

19. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Advances recoverable in cash or in kind or for value to be received				
(a) Unsecured - Considered Good				
- Prepaid Expenses	276.05		228.20	
- Advances to Employees	99.30		71.99	
- Balance with government authorities	21.21		21.21	
- Other Advances	99.73	496.29	162.54	483.94
(b) Unsecured - Considered Doubtful	5.18		5.18	
Less : Provision for doubtful advances	(5.18)	—	(5.18)	—
Total		496.29		483.94

20. OTHER CURRENT ASSETS

Particulars	As at 31.03.2015 ₹ in lakhs		As at 31.03.2014 ₹ in lakhs	
Unsecured - considered good				
Interest accrued on bank deposits	11.96		4.65	
Interest accrued on loans to employees	1.89		1.26	
Others	0.28		3.16	
Total	14.13		9.07	

21. OTHER INCOME

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Interest income		
- from banks (TDS ₹ 0.03 lakh - Previous year ₹ 0.09 lakh)	13.62	5.55
- from others (TDS ₹ 0.69 lakh - Previous year ₹ 0.34 lakh)	23.01	18.08
Dividend income from current investments	36.63	23.63
Insurance claim received	71.38	5.32
Excess provision for doubtful debts written back	0.67	0.47
Profit on sale of fixed assets (net)	1.20	1.42
Miscellaneous income	—	3.85
Total	53.23	55.09
	163.11	89.78

22. COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Opening Stock	3,440.64	3,202.16
Purchases	75,659.98	69,418.72
	79,100.62	72,620.88
Less : Closing stock	5,023.66	3,440.64
Cost of Material consumed	74,076.96	69,180.24

23. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Opening Stock	949.93	891.32
Closing Stock	1,007.62	949.93
Change in inventories of finished goods	(57.69)	(58.61)

24. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Remuneration and benefits to Employees and Directors		
Salary, wages, gratuity and bonus	2,754.00	2,349.17
Contribution to Provident Fund	202.21	175.63
Contribution to Employees' State Insurance Corporation	48.53	60.91
Contribution to KSE Ltd. Employees' Group Gratuity Fund Trust	121.61	119.14
Staff welfare expenses	256.69	153.03
Total	3,383.04	2,857.88

25. FINANCE COSTS

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Interest Expenses		
- on Term Loan	—	11.33
- on Cash Credit	54.95	107.65
- on Buyers' Credit	—	3.39
- on Short term Rupee Loan	14.89	—
- on Public Deposits	116.05	112.52
- on Others	8.35	0.46
	194.24	235.35
Other Borrowing Costs	0.25	1.31
Total	194.49	236.66

Note 25.1: Interest Expenses on Public Deposits include ₹ 0.78 lakh (Previous year ₹ 0.95 lakh) being interest paid on deposits accepted from Directors.

26. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Tangible Assets	622.21	361.78
Intangible Assets	13.98	13.99
Total	636.19	375.77

27. OTHER EXPENSES

Particulars	Year ended 31.03.2015 ₹ in lakhs	Year ended 31.03.2014 ₹ in lakhs
Processing charges	1,180.77	925.17
Packing materials consumed	2,491.03	2,287.80
Power and fuel	1,308.73	1,208.91
Freight	346.80	314.25
Stores and spares consumed	433.16	354.00
Rent (See Note 29.6)	12.84	12.30
Rates and taxes	59.53	70.20
Repairs		
Plant and machinery	37.05	27.74
Building	38.78	35.08
Vehicles	14.35	14.05
Others	124.39	95.73
Travelling and conveyance	41.31	39.83
Advertisement and Sales promotion	148.47	101.49
Postage and telephone	28.62	24.20
Printing and stationery	21.07	22.34
Insurance	35.53	29.02
Sitting fees to Directors	12.61	9.91
Payments to Auditors and expenses		
For Audit	11.00	9.50
For Tax audit	0.60	0.60
For Sales-tax audit	0.90	0.90
For Taxation matters	0.20	0.10
For Limited Review	1.50	1.50
For Certification works	0.77	0.36
Travelling and out-of-pocket expenses	3.07	2.45
Service Tax on the above	1.76	1.49
Professional charges	42.07	31.10
Commission and Brokerage	0.72	1.47
Bank Charges	30.33	63.10
Loss on sale of fixed assets (net)	3.62	—
Loss on exchange rate fluctuation (net)	9.95	20.72
Corporate Social Responsibility Expenditure	30.85	—
Provision for diminution in value of non-current investment	5.00	—
General charges	79.57	78.99
Total	6,556.95	5,784.30

28. EARNINGS PER SHARE

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Profit for the year as per the statement of Profit and Loss (₹ in lakhs)	4,363.41	1,537.36
Number of Equity Shares	32,00,000	32,00,000
Basic and diluted earnings per share (₹)	136.36	48.04

29. ADDITIONAL INFORMATION

- 29.1 Figures of the previous year have been regrouped and recast wherever necessary to suit the current year's layout.
- 29.2 In the opinion of the Board, current assets and long term loans & advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

29.3 **Contingent liabilities and commitments** (to the extent not provided for in the accounts)

	2014-15	2013-14
	₹ in lakhs	₹ in lakhs
I. Contingent Liabilities		
a) Claims against the Company not acknowledged as debts (See Note 29.4):		
(i) Customs Duty	47.05	47.05
(ii) Kerala General Sales Tax	25.40	25.40
(iii) Freight/demurrage demanded by Indian Railways	57.11	57.11
(iv) ESI	4.38	4.38
(v) Electricity	1.12	1.12
b) Bank guarantees in favour of KSEB	42.70	38.28
c) Other money for which the Company is contingently liable	<u>—</u>	<u>—</u>
	177.76	173.34
II. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account not provided for	2.33	2.95
(b) Uncalled liability on shares and other investments partly paid	<u>—</u>	<u>—</u>
(c) Letter of credit for import of raw materials	728.96	1,036.64
	731.29	1,039.59
TOTAL	<u>909.05</u>	<u>1,212.93</u>

29.4 Details in respect of claims against the Company not acknowledged as debts disclosed under Note No. 29.3 are as follows:

- (i) Commissioner of Customs, Cochin has issued Orders demanding ₹ 47,05,015 for short levy of customs duty on import of Machinery for cattle feed plant and spare parts due to difference in classification under Customs Tariff Head. Aggrieved by the order, Company had filed an appeal before the Hon. Customs, Excise and Service Tax Appellate Tribunal, Bangalore and the appeal is pending.
- (ii) Assistant Commissioner (Assessment), Department of Commercial taxes, Thrissur had issued order demanding ₹ 25,40,012 (including interest ₹ 12,63,624) for the financial year 2000-01 against sales tax exemption claimed on sale of refined vegetable oil. On appeal, The Deputy Commissioner (Appeals), Ernakulam had issued an order directing the assessing authority to reconsider the matter. The final order from the Assistant Commissioner (Assessment) is not yet received.
- (iii) Southern Railway had raised two demands aggregating to ₹ 57,10,829 on grounds of undercharge due to incorrect classification of deoiled rice bran. The claim has been challenged by the Company before the Hon. High Court of Kerala and the writ petition is still pending before the Court.
- (iv) (a) Some of the employees of the company had challenged the enhancement of wage limit for coverage of ESI, before the Hon. High Court of Kerala and the Court had granted stay. The cases were disposed off by the Court in favour of ESI Corporation and Company had remitted contributions of employer and employees.

Subsequently, ESI Corporation demanded interest amounting to ₹ 1,56,862 for delay in payment of contributions relating to the period when the above stay was in operation and ₹ 19,214 towards employees' contribution in respect of retired/resigned employees during the said period. Company had preferred appeal before the ESI Court, Palakkad which was decided in favour of the Company. Aggrieved by the order, ESI Corporation had filed appeal before the Hon. High Court of Kerala challenging the orders of ESI Court, Palakkad, and the said appeal is still pending.

ESI Corporation had also demanded damages of ₹ 1,14,199 for the delay in remittance of contribution mentioned above and the Company had filed an appeal before the ESI Court, Palakkad which is still pending.

(b) ESI Corporation has issued order demanding ₹ 1,62,952 as interest and ₹ 60,080 as damages for delay in remittance of contribution on omitted wages for the period from 01.04.1996 to 31.03.2002. The Company remitted ₹ 75,000 towards this demand on direction by the Court, while granting stay. The balance demand is ₹ 1,48,032, and the case is still pending before ESI Court, Palakkad.

(v) Kerala State Electricity Board (KSEB) had issued order demanding ₹ 1,11,780 for additional connected load in Konikkara Dairy Unit of the company relating to the period from November, 2001 to July, 2002. This demand has been challenged by the company before the Hon. High Court of Kerala which is still pending.

In all the above cases company is legally advised that there is a good chance for full relief and hence no provision is considered necessary at this stage.

29.5 The landed property of the company located at Mysore with an area of around 4 acres 10 cents was sold during the financial year 2014-15 for a total sale consideration of ₹ 1,350 lakhs. Profit on the sale of the property earned by the Company amounting to ₹ 1,045.71 lakhs has been shown in the Statement of profit and loss as Exceptional item.

29.6 Lease rental payments

	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
(a) Recognised in statement of profit and loss	12.84	12.30
(b) Future minimum lease rentals payable as per lease agreement at the year end		
(i) Not later than one year	0.90	0.67
(ii) Later than one year and not later than five years	—	4.90
Total	0.90	5.57
(c) The Company has hired buildings under rental arrangements which are treated as operating lease.		

29.7 Disclosures required under Accounting Standard 15 “Employee Benefits” (Revised 2005)

I Defined Contribution Plans

During the year the following amounts have been recognised in the statement of profit and loss on account of defined contribution plans:

	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
Employer's Contribution to Provident Fund	202.21	175.63
Employer's Contribution to Employee's State Insurance Corporation	48.53	60.91

II Defined Benefit Plan / Other Long Term Benefits -

	Gratuity (Funded)		Compensated absences (Funded)	
	2014-15	2013-14	2014-15	2013-14
(i) Actuarial Assumptions				
Discount Rate (per annum)	8%	8%	8%	8%
Expected Rate of return on plan assets (per annum)	8%	8%	8%	8%
Salary escalation Rate (per annum)	7%	7%	7%	7%
Mortality Rate	Indian Lives Mortality (1994-96) Ultimate Table			
	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
(ii) Reconciliation of present value of obligations				
Present value of obligation at the beginning of the year	948.83	788.45	91.04	64.98
Current service cost	58.66	51.02	93.62	92.06
Interest cost	78.25	65.12	11.03	8.88
Actuarial (gain) / loss	84.43	79.86	(48.76)	(40.56)
Benefits paid	(92.44)	(35.62)	(42.10)	(34.32)
Present value of obligations at the end of the year	1,077.73	948.83	104.83	91.04

	Gratuity (Funded)		Compensated absences (Funded)	
	2014-15	2013-14	2014-15	2013-14
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(iii) Reconciliation of fair value of plan assets				
Fair value of plan assets at the beginning of the year	1,138.19	895.12	107.20	100.48
Expected return on plan assets	91.05	71.61	8.57	8.04
Actuarial gain / (loss)	8.68	5.25	3.50	(1.26)
Contributions	164.81	201.83	6.34	--
Benefits paid	(92.44)	(35.62)	(0.01)	(0.06)
Fair value of plan assets at the end of the year	1,310.29	1,138.19	125.60	107.20
(iv) Description of plan assets - Insurer managed assets	1,310.29	1,138.19	125.60	107.20
(v) Net (Asset) / Liability recognised in the balance sheet as at the end of the year				
Present value of obligation at the end of the year	1,077.73	948.83	104.83	91.04
Fair value of plan assets at the end of the year	1,310.29	1,138.19	125.60	107.20
Net present value of funded obligation recognised as (asset) / liability in the balance sheet	(232.56)	(189.36)	(20.77)	(16.16)
(vi) Expenses recognised in the statement of profit and loss				
Current service cost	58.66	51.02	93.62	92.06
Interest cost	78.25	65.12	11.03	8.88
Expected return on plan assets	(91.05)	(71.61)	(8.57)	(8.04)
Actuarial (gain) / loss recognised in the period	75.75	74.61	(52.26)	(39.30)
Total expenses recognised in the statement of profit and loss for the year	121.61	119.14	43.82	53.60
Actual return of plan assets	99.73	76.86	12.07	6.78
(vii) Non-current and current value of obligation				
Non-current	986.32	838.55	92.24	85.34
Current	91.41	110.28	12.59	5.70
Total value of obligation	1,077.73	948.83	104.83	91.04

	31.03.2015 ₹ in lakhs	31.03.2014 ₹ in lakhs	31.03.2013 ₹ in lakhs	31.03.2012 ₹ in lakhs	31.03.2011 ₹ in lakhs
(viii) Amount recognised in current year and previous four years					
Gratuity (Funded)					
Present value of defined benefit obligations	1,077.73	948.83	788.45	713.94	569.98
Fair value of plan assets	1,310.29	1,138.19	895.12	740.93	616.52
Funded status - (asset) / liability	(232.56)	(189.36)	(106.67)	(26.99)	(46.54)
Actuarial (gain) / loss on plan obligations	84.43	79.86	(3.06)	127.00	83.93
Actuarial gain / (loss) on plan assets	8.68	5.25	8.41	4.38	5.21
Compensated absences (Funded)					
Present value of defined benefit obligations	104.83	91.04	64.98	63.01	45.45
Fair value of plan assets	125.60	107.20	100.48	82.11	64.24
Funded status - (asset) / liability	(20.77)	(16.16)	(35.50)	(19.10)	(18.79)
Actuarial (gain) / loss on plan obligations	(48.76)	(40.56)	(55.54)	(29.78)	(47.05)
Actuarial gain / (loss) on plan assets	3.50	(1.26)	1.07	0.82	0.57

Notes:

- The above disclosures are based on information certified by the independent actuary and relied upon.
- The plan assets of the Company are managed by the Life Insurance Corporation of India in terms of insurance policies taken to fund the obligations of the Company with respect to its Gratuity and Compensated Absences Plan. Information on categories of plan assets is not available with the Company.

29.8 Segment Information
Segment Revenue, Results and Capital Employed

₹ in lakhs

Sl. No.	Particulars	Financial Year	BUSINESS SEGMENTS			Total
			Animal Feed	Oil cake processing	Dairy	
a)	Segment Revenue	2014-15	74,261.89	21,519.02	2,518.51	98,299.42
		2013-14	67,987.01	17,132.44	2,261.43	87,380.88
	Less Inter-segment Revenue	2014-15	—	8,329.37	—	8,329.37
		2013-14	—	6,750.55	—	6,750.55
	Total Revenue	2014-15	74,261.89	13,189.65	2,518.51	89,970.05
		2013-14	67,987.01	10,381.89	2,261.43	80,630.33
b)	Segment Results	2014-15	2,580.57	2,956.03	19.98	5,556.58
		2013-14	1,701.50	784.44	159.69	2,645.63
	Less Unallocable expenditure (net of unallocated income)	2014-15				18.87
		2013-14				65.10
	Less Finance Costs	2014-15				194.49
		2013-14				236.66
	Total Profit before tax and exceptional items	2014-15				5,343.22
		2013-14				2,343.87
	Add Exceptional items	2014-15				1,045.71
		2013-14				—
	Profit before tax	2014-15				6,388.93
		2013-14				2,343.87
c)	Segment Assets	2014-15	6,141.34	3,078.93	644.12	9,864.39
		2013-14	6,756.24	1,660.16	680.22	9,096.62
	Unallocated Assets	2014-15				3,938.15
		2013-14				453.67
	Total Assets	2014-15				13,802.54
		2013-14				9,550.29
d)	Segment Liabilities	2014-15	2,530.79	314.18	99.23	2,944.20
		2013-14	1,346.00	326.06	94.68	1,766.74
	Unallocated Liabilities	2014-15				3,677.27
		2013-14				2,925.46
	Total Liabilities	2014-15				6,621.47
		2013-14				4,692.20
e)	Segment Capital Expenditure	2014-15	81.44	29.94	15.14	126.52
		2013-14	27.46	4.60	67.54	99.60
	Unallocated Capital Expenditure	2014-15				29.47
		2013-14				0.31
	Total Capital Expenditure	2014-15				155.99
		2013-14				99.91
f)	Segment Depreciation and amortisation expenses	2014-15	413.24	110.63	78.40	602.27
		2013-14	227.85	76.34	50.49	354.68
	Unallocated Depreciation	2014-15				33.92
		2013-14				21.09
	Total Depreciation and amortisation expenses	2014-15				636.19
		2013-14				375.77
g)	There is no significant non-cash expenses, included in segment expenses, other than depreciation and amortisation expenses in respect of segment assets.					

Notes:

	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
1 Unallocated assets include		
Non- current investments	2.50	7.50
Cash and Bank balances	3,777.75	314.41
Deferred tax asset	24.82	—
2 Unallocated liabilities include		
Deferred tax liability	—	155.32
Long Term borrowings	528.48	649.25
Current maturities of Public Deposit	376.03	289.22
Interest accrued but not due on public deposits	120.87	116.30
Unpaid dividends	714.18	39.93
Short-term borrowings	831.60	728.90
Provision for taxation (net of advance tax)	253.31	29.03
Provision for proposed dividend and dividend distribution tax	770.29	748.77

29.9 Disclosure of Related Party Transactions in accordance with the accounting standard (AS - 18) “ Related Party Disclosures”

A. Related Party and Nature of Relationship

Sl. No.	Nature of Relationship	Name of related party
1	Key managerial personnel	Mr. M.C. Paul Mr. P.K. Varghese
2	Enterprises over which the key managerial personnel and their relatives are able to exercise significant influence having transactions with the Company	Emceepee Traders M.C. Paul & Sons MCP Rose Supermarket P. Ltd. Emceepee Agencies Emceepee Properties P. Ltd. Surya Agencies Pokkath Auto Fuels
3	Relatives of Key Managerial Personnel having transactions with the Company	Mrs. Annie Paul Mrs. Mariamma Francis Mrs. Seema Suresh Mrs. Sawmiya Varghese Mrs. Alpho Varghese

B. Transactions with Related Parties during the year

		2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
1	Transactions with Key Managerial Personnel		
1.a	Remuneration		
	Mr. M.C. Paul	45.31	27.68
	Mr. P.K. Varghese	16.30	17.51
	Total	61.61	45.19
1.b	Balance outstanding as at the year end -		
--	Payables - Bonus payable and gratuity provided in accounts		
	Mr. M.C. Paul	47.84	33.00
	Mr. P.K. Varghese	12.92	11.87
	Total	60.76	44.87
--	Receivables	Nil	Nil
2	Transactions with enterprises over which key managerial personnel and their relatives are able to exercise significant influence		

		2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
2.a	Sale of Products	Emceepee Traders Emceepee Agencies MCP Rose Supermarket P. Ltd. Surya Agencies Total	46.47 15.99 9.89 40.14 112.49
		49.88 16.14 10.89 43.80 120.71	
2.b	Purchase of Materials	M.C. Paul & Sons MCP Rose Supermarket P. Ltd. Pokkath Auto Fuels Total	0.28 1.02 21.62 22.92
		0.53 0.27 18.00 18.80	
2.c	Sales Promotion	MCP Rose Supermarket P. Ltd. Emceepee Agencies MCP Properties P. Ltd. (Hall rent for dealer conference) Total	0.25 0.11 — 0.36
		0.25 2.38 2.63	
2.d	Balance outstanding as at the year end		
--	Payables	Emceepee Traders Emceepee Agencies Surya Agencies M.C. Paul & Sons MCP Rose Supermarket P. Ltd. Total	0.10 0.02 0.23 — — 0.35
		0.10 0.02 0.28 0.47 0.01 0.88	
--	Receivables		Nil
3	Transactions with relatives of Key Managerial Personnel		
3.a	Interest on fixed deposits	Mrs. Annie Paul Mrs. Mariamma Francis Mrs. Seema Suresh Mrs. Sawmiya Varghese Mrs. Alpo Varghese Total	0.78 0.14 0.04 0.10 0.10 1.16
		0.87 0.06 0.04 0.11 0.11 1.19	
3.b	Balance outstanding as at the year end		
--	Payables (Fixed Deposits including accrued interest)	Mrs. Annie Paul Mrs. Mariamma Francis Mrs. Seema Suresh Mrs. Sawmiya Varghese Mrs. Alpo Varghese Total	7.49 1.40 0.40 0.93 0.97 11.19
		8.28 — 0.44 1.03 1.08 10.83	
--	Receivables		Nil

4. No amount has been provided/written off as doubtful debts or advances written back in respect of payables due from or to any of the above related parties.

29.10 Raw materials consumed

		2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
(a)	Coconut Oil Cake	17,442.80	15,864.25
(b)	Rice Bran	24,765.05	25,854.37
(c)	Maize	12,428.98	11,710.23
(d)	Cotton Seed Cake	5,590.17	4,874.35
(e)	Milk	1,469.11	1,132.65
(f)	Others	12,380.85	9,744.39
	Total	74,076.96	69,180.24

29.11 Particulars in respect of stock and turnover

₹ in lakhs

Sl. No.	Class of goods manufactured	Opening Value		Closing Value		Sales Value	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1.	Ready-mixed Cattle Feed and Feed Supplement	484.75	339.80	518.49	484.75	73,932.47	67,740.59
2.	De-oiled Coconut Cake	268.64	222.89	211.79	268.64	4,971.49	5,238.28
3.	Refined Oil	51.92	21.12	35.29	51.92	7,748.26	4,111.48
4.	Solvent Extracted Coconut oil	107.88	266.26	198.15	107.88	293.21	908.76
5.	Milk	4.11	2.80	4.65	4.11	1,542.74	1,332.22
6.	Ice Cream	21.43	23.00	26.91	21.43	749.70	696.49
7.	Others	11.20	15.45	12.34	11.20	760.29	602.51
	Total	949.93	891.32	1,007.62	949.93	89,998.16	80,630.33

29.12 Consumption of raw materials and stores and spares

		Year ended 31 st March 2015		Year ended 31 st March 2014	
		%	₹ in lakhs	%	₹ in lakhs
(a)	Raw Materials				
	Imported	6.21	4,598.20	3.00	2,077.02
	Indigenous	93.79	69,478.76	97.00	67,103.22
	Total	100.00	74,076.96	100.00	69,180.24
(b)	Stores and Spares				
	Imported	0.24	1.04	3.85	13.63
	Indigenous	99.76	432.12	96.15	340.37
	Total	100.00	433.16	100.00	354.00

 Year ended
 31st March 2015

 Year ended
 31st March 2014

29.13 CIF value of imports (₹ in lakhs)

- Raw materials	4,560.87	1,703.43
- Capital goods	Nil	Nil
- Stores and Spares	Nil	4.67

29.14 Expenditure in Foreign Currency (₹ in lakhs)
0.12 3.50

29.15 Earnings in Foreign Exchange (₹ in lakhs)
Nil Nil

29.16 Remittance in foreign currencies on account of dividend (including remittance to NRE accounts)

i) No. of Non-Resident shareholders	36	24
ii) No. of shares held by them	18,523	14,781
iii) Dividend remitted in Foreign Currency	Nil	Nil

Jose Paul Thaliyath
 Chairman (DIN : 01773031) Sd/-

M.C. Paul
 Managing Director (DIN : 00105776) Sd/-

 As per our report of
 even date attached
 For **VARMA & VARMA**
 (Firm No. 004532 S)

R. Sankaranarayanan
 Chief Financial Officer
 and Company Secretary Sd/-

P.K. Varghese
 Executive Director (DIN : 00106697) Sd/-

A.P. George, Director & Legal Advisor
 (DIN : 00106808) Sd/-

 Sd/-
C. Pankajakshan
 (M. No. 12948)
 Partner
 Chartered Accountants

May 30, 2015

P.D. Anto
 Director (DIN : 00106965) Sd/-

SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

₹ in lakhs

	2014-15	2013-14	2012-13	2011-12	2010-11
A. ASSETS					
1. Net Fixed Assets:					
Gross Fixed Assets	7975.51	8110.64	8078.29	7308.62	7194.27
Less Depreciation/amortisation	5230.20	4456.96	4133.84	3725.22	3410.49
	2745.31	3653.68	3944.45	3583.40	3783.78
2. Investments	2.50	7.50	7.50	7.50	7.50
3. Long term advances and Current Assets	11054.73	5889.11	5580.35	5046.59	3919.18
Total assets	13802.54	9550.29	9532.30	8637.49	7710.46
B. LIABILITIES					
1. Secured and unsecured loans	1736.11	1667.37	2994.24	2622.47	2525.16
2. Other Liabilities	4885.36	3024.83	2468.56	2043.84	1849.95
Total liabilities	6621.47	4692.20	5462.80	4666.31	4375.11
C. NET WORTH (A-B)					
	7181.07	4858.09	4069.50	3971.18	3335.35
REPRESENTED BY					
1. Share Capital	320.00	320.00	320.00	320.00	320.00
2. Reserves and Surplus	6861.07	4538.09	3749.50	3651.18	3015.35
Shareholder's equity	7181.07	4858.09	4069.50	3971.18	3335.35

SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

₹ in lakhs

	2014-15	2013-14	2012-13	2011-12	2010-11
A. EARNED FROM					
1. Sales	89970.05	80630.33	69717.71	54222.00	45368.03
2. Other income	1208.82	89.78	108.18	114.28	68.04
	91178.87	80720.11	69825.89	54336.28	45436.07
B. PAID AND PROVIDED FOR					
1. Raw materials and finished goods	74019.27	69121.63	60474.34	45026.54	38060.08
2. Manufacturing, administrative, selling and other expenses	6556.95	5784.30	5601.64	4730.89	4161.05
3. Employees' benefits expenses	3383.04	2857.88	2348.07	2287.07	1855.14
4. Finance costs	194.49	236.66	313.65	245.27	236.64
5. Depreciation/amortisation	636.19	375.77	422.10	459.47	455.85
	84789.94	78376.24	69159.80	52749.24	44768.76
C. PROFIT BEFORE TAX (A-B)	6388.93	2343.87	666.09	1587.04	667.31
Less: Tax Expenses	2025.52	806.51	200.79	542.11	217.50
D. NET PROFIT AFTER TAX	4363.41	1537.36	465.30	1044.93	449.81
APPROPRIATED TO					
1. Dividend	1600.00	640.00	320.00	352.00	320.00
2. Dividend distribution tax	322.23	108.77	54.38	57.10	51.91
3. Retained in business	2441.18	788.59	90.92	635.83	77.90
	4363.41	1537.36	465.30	1044.93	449.81



Regd. Office: Post Box No. 20, Solvent Road, Irinjalakuda, Kerala - 680 121
Ph: 0480 2825476 Email: ksekerala@gmail.com Web: kselimited.com

FORM NO. MGT-11

PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

51st Annual General Meeting

Saturday, September 19, 2015 at 3.00 p.m.

1	Name of the Company	KSE Limited
2	CIN	L15331KL1963PLC002028
3	Registered Address	Solvent Road, Irinjalakuda – 680121, KERALA

1	Name of Sole / First Member	
2	Registered Address	
3	E Mail Id:	
4	Registered Folio No. / Client ID No.	
5	DP ID	

I/We, being member(s) holding shares of the above named Company, hereby appoint

1	Name	
	Address	
	E Mail Id:	
	Signature	

or failing him

2	Name	
	Address	
	E Mail Id:	
	Signature	

or failing him

3	Name	
	Address	
	E Mail Id:	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the for 51st Annual General Meeting to be held on 19th September, 2015 at 3.00 pm at the registered address of the Company and at any adjournment thereof in respect of such resolutions as are indicated below :

#	Description	Type of Resolution	For	Against
Ordinary business:				
1	Adoption of audited financial statements along with reports of directors and auditors for year ended 31 st March, 2015	Ordinary		
2	Declaration of dividend for year ended 31 st March, 2015	Ordinary		
3	Reappointment of Mr. A.P. George, retiring by rotation and seeking re-election	Ordinary		
4	Reappointment of Mr. T.R. Ragulal, retiring by rotation and seeking re-election	Ordinary		
5	Ratification of Appointment of Statutory Auditors	Ordinary		
Special Business:				
6	Appointment of Mr. Paul John as an Independent Director	Ordinary		
7	Approval of remuneration of Cost Auditor	Ordinary		
8	Approval for acceptance of Deposits from Public and/or members	Ordinary		
9	Approval for enhancement of remuneration to Mr. P.K. Varghese, Executive Director	Ordinary		
10	Approval for payment of posthumous benefits to Late P.K. Varghese, Executive Director	Ordinary		

Signed this day of, 2015

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The form should be signed across the stamp as per specimen signature registered with the company.
- A Proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
- For the resolutions, explanatory statement and Notes, please refer to the Notice of 51st Annual General Meeting.

Affix
Revenue
Stamp



MANAGING DIRECTOR ADDRESSING THE AUDIENCE AT THE "ALL KERALA DEALER MEET 2015" HELD AT IRINJALAKUDA
ON 21ST FEBRUARY, 2015 ALONG WITH OTHER BOARD MEMBERS AND SENIOR MANAGERS

Production Units

KERALA

KSE Limited
Irinjalakuda Unit, P.B. No. 20,
Solvent Road, Irinjalakuda - 680 121
Tel: 0480 2825476, 2825576, 2826676
Fax: 0480 2826075 E-mail: ksekerala@gmail.com

KSE Limited
Koratty Unit, KINFRA Park, Nalukettu Road,
Koratty - 680 309, Thrissur Dist.
Tel: 0480 3257651, 2735855, 2734590
Fax : 0480 2735855

KSE Limited
Vedagiri Unit, Kurumullur, Athirampuzha,
Kottayam Dist. - 686 632.
Tel: 0481 2536829, 2538718, 2538719
Fax: 0481 2536830

KSE Limited
Palakkad Unit, Othungode, Kerala,
Palakkad - 678 020
Tel: 0491 2536332, 2531858. Fax: 0491 2538451

KSE Limited
Dairy Unit, Konikkara, Marathakkara P.O.,
Thrissur - 680 320 Tel: 0487 2351501, 2358806
Fax: 0487 2356394

KSE Limited
Ice Cream Unit, Vedagiri,
Kurumullur, Athirampuzha,
Kottayam Dist. - 686 632.
Tel: 0481 2538881

TAMIL NADU

KSE Limited
Swaminathapuram Unit, Swaminathapuram,
Dindigul Dist. - 642 113
Tel: 04252 252560, 252561, 252562, 252563
Fax: 04252 252565

KSE Limited
Dairy Unit, Thalayuthu
Tamil Nadu - 624 618 Tel: 04252 252861
Fax: 04252 252860

Production units-out sourced

KSE Limited
V/679 J, Muppathadam P.O., Edayar,
Kochi - 683 110. Tel: 0484 2541070, 2559362

KSE Limited
Plot No. 71, Industrial Development Area,
Kochuveli, Titanium P. O.,
Thiruvananthapuram - 695 021
Tel: 0471 2501981

Branch

KSE Limited
XXXIII / 2837, Paropadi, Merikkunnu P.O.,
Kozhikode - 673 012. Tel: 0495 2370056, 2900194



Corporate Office:

P.B. No. 20, SOLVENT ROAD, IRINJALAKUDA, KERALA-680 121
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