

Ref: S. 177/2016-2017/ **1377**

19th September, 2016

BSE Limited
Corporate Relationship Department
First Floor, New Trading Ring
Rotunda Building
P.J. Towers, Dalal Street
Mumbai – 400 001.

Dear Sirs,

Sub: Submission of Annual Report as per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the year ended 31st March, 2016 as approved and adopted in the Annual General Meeting held on 31st August, 2016 as per the provisions of the Companies Act, 2013.

We request you to kindly take the above on records.

Thanking You,

Yours faithfully,

For KSE Limited



R. Sankaranarayanan

Chief Financial Officer and
Company Secretary



52nd
**ANNUAL
REPORT**
2015-2016



Dr. Jose Paul Thaliyath, Chairman (7th from right), Mr. M. C. Paul, Managing Director (6th from right), Mr. A. P. George, Executive Director (5th from right), Mr. P. D. Anto, Director (7th from left),
 Dr. K. C. Vijayaraghavan, Director (4th from right), Mr. John Francis K., Director (6th from left), Mr. T. R. Ragulal, Director (5th from left), Mr. Joseph Xavier, Director (3rd from right),
 Ms. Sathi A. Menon, Director (2nd from right), Mr. Paul John, Director (4th from left), Ms. Marykutty Varghese, Director (extreme right), Mr. Anand Menon, Chief General Manager (3rd from left),
 Mr. R. Sankaranarayanan, CFO and CS (2nd from left), Mr. M.D. Johny, Chief Personnel Manager & Secretary to MD (extreme left)



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

Chairman

Dr. Jose Paul Thaliyath

Managing Director

M. C. Paul

Executive Director

A. P. George - from 1st October, 2015
(Director and Legal Advisor upto 30th September, 2015)

Directors

P. D. Anto
Dr. K. C. Vijayaraghavan
John Francis K.
T. R. Ragulal
Joseph Xavier
Sathi A. Menon
Paul John
Marykutty Varghese - from 1st October, 2015

Chief General Manager

Anand Menon

Chief Financial Officer and Company Secretary

R. Sankaranarayanan

Annual General Meeting

On Wednesday,
31st August, 2016 at 3.00 p.m.

Venue

Registered Office,
Solvent Road, Irinjalakuda - 680 121

Contents

	Page
Financial Highlights	3
Notice of Annual General Meeting	4
Board's Report	15
Corporate Governance Report	52
Management Discussion and Analysis	61
Independent Auditors' Report	64
Balance Sheet	68
Statement of Profit and Loss	69
Cash Flow Statement	70
Notes to Financial Statements	71
Summarised Balance Sheet	89
Summarised Statement of Profit and Loss	90

Financial Highlights

	2015-2016	2014-2015
	₹ in Lakhs	₹ in Lakhs
Sales and other income	92723.45	90133.16
Gross Profit (Profit before Depreciation and Finance costs)	1784.30	6173.90
Profit before tax	1226.08	6388.93
Net profit after tax	758.07	4363.41
Shareholders' Equity (Net worth)	7168.85	7181.07
Capital employed	7833.41	7764.13
Gross fixed assets	8073.88	7975.51
	₹	₹
Shareholders' equity per share	224.03	224.41
Earnings per share of ₹ 10 each	23.69	136.36
Dividend rate	200%	500%



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

NOTICE OF THE 52ND ANNUAL GENERAL MEETING

Notice is hereby given that the 52nd Annual General Meeting of KSE Limited, Irinjalakuda will be held at the Registered Office of the Company on Wednesday, the 31st August, 2016 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. Adoption of Accounts for the year ended 31st March, 2016

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, 2016 including balance sheet as at 31st March, 2016 and the statement of profit and loss for the year ended 31st March, 2016 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 ₹ 20 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 ₹ 20 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, 2016 and also from the accumulated profits as on that date as allowed by Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014, absorbing an amount of 7,70,28,894 (including dividend distribution tax and surcharge and cess thereon) and that the 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, 2016 be paid to those shareholders, whose names appear in the Company's register of members as on 31st August, 2016 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 24th August, 2016 as per the details furnished by the depositories for this purpose.”

3. To appoint a Director in place of Mr. P.D. Anto (DIN : 00106965), 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. P.D. Anto (DIN : 00106965), 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 Dr. K.C. Vijayaraghavan (DIN : 00111953), 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 Dr. K.C. Vijayaraghavan (DIN : 00111953), 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. 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.

RESOLVED FURTHER 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 thereof) 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.”

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 thereof 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, 2017 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. Appointment of Mrs. Marykutty Varghese (DIN 07307987) as a Director

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 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there-under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mrs. Marykutty Varghese (DIN 07307987) who was appointed as an Additional Director of the Company with effect from 1st October, 2015 by the Board of Directors at its meeting held on 22nd September, 2015 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mrs. Marykutty Varghese (DIN 07307987) for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

9. Appointment and Remuneration of Mr. A.P. George (DIN 00106808) as Executive Director

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special 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 thereto or enactment thereof 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 appointment of Mr. A.P. George (DIN 00106808) as Executive Director of the Company for a period of three years from 1st October, 2015 to 30th September, 2018, for attending to the day to day functioning of the Company subject to the direction and control of the Managing Director and that he be paid following remuneration by way of salary, bonus, perquisites and allowances, during the period of his appointment, as approved by the Nomination and Remuneration Committee and thereafter by the Board of Directors in their respective meetings held on 22nd September, 2015:

a) Salary

₹ 1,30,000 (Rupees One Lakh Thirty Thousand only) per month with annual increment in the scale of Rs. 1,30,000 - 6,000 - 1,42,000.

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, subject to completion of a service of five years, at the rate of half a month's salary for each year of completed service with effect from 01.10.2015.

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 in any financial year, during the currency of tenure of the Executive Director, he will be paid above remuneration as minimum remuneration, subject to the terms in Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactments thereof or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) shall be authorised to revise or vary the remuneration or other terms and conditions of the appointment as it may deem fit subject to the condition that the same shall not exceed the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

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 25th August, 2016 to 31st August, 2016 (both days inclusive).
9. The dividend, if declared at the Annual General Meeting, would be paid/despached on or after 1st September, 2016 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 24th August, 2016 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 31st August, 2016 after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 24th August, 2016.
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 2009 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 2007-2008, as on the date of the 51st Annual General Meeting (AGM) held on 19th September, 2015, 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 pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transferees as well as transferors 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 24th August, 2016, will be eligible to cast their votes in any of the two modes mentioned below:

- A) In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the 52nd Annual General Meeting scheduled to be held on Wednesday, the 31st August, 2016 at 3.00 p.m. and the business will be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below. Once the member exercise vote by e-voting, he will not be allowed to change it subsequently or cast the vote again. A member may participate in the general meeting even after exercising his right to vote through remote e-voting, but will not be entitled to cast his/her vote again in the venue for the general meeting.
- B) In terms of Rule 20 of the Companies (Management and Administration) Rules, 2014, for members who have not already cast their votes by remote e-voting, facility to cast their vote at the annual general meeting, either by the members or by proxies, will be provided through ballot paper.

The instructions for shareholders voting electronically (by remote e-voting) are as under:

- (i) The voting period begins on 28th August, 2016 at 9.00 a.m. and ends on 30th August, 2016 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 24th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 30th August, 2016 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.
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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.

(xx) 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
30-05-2016

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

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

Item 6 - 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 up to 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. 6 of the Notice. This Resolution enables the Board of Directors of the Company to accept/renew deposits up to 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. 6 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. 6 of the Notice for approval by the Members.

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, 2017 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, 2017.

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 - Appointment of Mrs. Marykutty Varghese (DIN 07307987) as a Director

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on 22nd September, 2015, had appointed Mrs. Marykutty Varghese (DIN 07307987) as Additional Director of the Company with effect from 1st October, 2015, to fill the vacancy arising out of the death of Mr. P.K. Varghese (DIN: 00106697) on 12th July, 2015, while he was holding the post of Executive Director of the Company. In terms of Section 161(1) of the Companies Act, 2013, Mrs. Marykutty Varghese (DIN 07307987) holds the office of Director upto the date of this Annual General Meeting but is eligible for the appointment as a Director.

Mrs. Marykutty Varghese (DIN 07307987) is married to a respectable business family of Irinjalakuda engaged primarily in oil mill industry. She had passed SSLC equivalent to Xth Standard. She has been nominated as a member of the Stakeholder's Relationship Committee of the Company by the Board in its meeting held on 22nd September, 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 her candidature to the office of director of the Company.

In the opinion of the Board, Mrs. Marykutty Varghese (DIN 07307987) fulfils the conditions for her appointment as a Director as specified in the Companies Act, 2013.

This statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Information about Mrs. Marykutty Varghese (DIN 07307987), in accordance with the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached.

Mrs. Marykutty Varghese (DIN 07307987) 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 9 - Appointment and Remuneration of Mr. A.P. George (DIN 00106808) as Executive Director

Mr. P.K. Varghese (DIN: 00106697) died on 12th July, 2015, while he was holding the post of Executive Director of the Company. There upon, the Board of Directors of the Company, in their meeting held on 22nd September, 2015, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. A.P. George (DIN 00106808), Director of the Company, as Executive Director of the Company for a period of three years from 1st October, 2015 on a remuneration with salary at ₹ 1,30,000 per month in the scale of ₹ 1,30,000 - 6,000 - 1,42,000 along with bonus, other perquisites and allowances in the manner as specified in the resolution under Item 9, subject to the consent of members in general meeting. Since Mr. A.P. George has crossed the age of seventy, as per the provisions of Schedule V to the Companies Act, 2013, the consent of the members in the general meeting shall be by way of Special Resolution.

Mr. A.P. George (DIN 00106808) is a promoter director of the Company effective from 25.09.1963 and was acting as Director and Legal Advisor of the Company from 1.11.1994. He was also Chairman of Stakeholders Relationship Committee from 28.09.2002 till 22.09.2015 and thereafter continues as a member of the said Committee. He was Senior Advocate of Irinjalakuda Bar, before he joined as Executive Director of the Company. He was also Chairman of Irinjalakuda Municipality for over seven years. He is also having rich experience in oil milling through his family business.

Mr. A.P. George (DIN 00106808) 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 his appointment. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further information about Mr. A.P. George (DIN 00106808), in accordance with the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached.

None of the Directors and Key Managerial Personnel and their relatives of the Company except Mr. A.P. George to the extent of remuneration payable to him, is concerned or interested, financial or otherwise, in the above resolution.

The Board of Directors recommends the resolution in relation to the appointment of Mr. A.P. George (DIN 00106808) as Executive Director, for the approval of the shareholders of the Company, by special 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 2015-16	₹ in Lakhs
		Total Revenue – Sales and Other Income	92723.45
		Profit Before Income tax	1226.08
		Tax Expenses	468.01
		Net Profit after Tax	758.07
		Net worth	7168.85
5.	Foreign investments or collaborations	Nil	
II	INFORMATION ABOUT APPOINTEE		
1.	Back Ground Details	As narrated above	
2.	Past Remuneration	For financial year 2015-16 - ₹10.30 lakhs as remuneration after his appointment as Executive Director. Besides this, he was in receipt of professional fee of ₹1.50 lakhs as Legal Advisor of the Company and Sitting fees for attending the meetings of the Board and Committees thereof ₹ 1.40 lakhs in that year, before he was appointed as Executive Director.	
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 occasions.	
4.	Job Profile and his suitability	Overall management of the Company, subject to the direction and control of the Managing Director. Given his experience, his appointment and remuneration 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, Mr. A.P. George and his relatives are holding deposits under Fixed Deposit Scheme of the Company and the outstanding balance thereof as on 31.03.2016 is ₹ 14.75 lakhs and interest paid on the said deposits during year 2015-16 is ₹ 1.55 lakhs.	
III	OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	Not applicable, as the Company has earned a net profit after tax of ₹ 758.07 Lakhs during the year ended 31 st March, 2016.	
2.	Steps taken or proposed to be taken for improvement	Not Applicable	
3.	Expected increase in productivity and profits in measurable terms	Not Applicable	

Irinjalakuda
30-05-2016

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 8	Item 9
Name of Directors	Mr. P. D. Anto (DIN: 00106965)	Dr. K.C. Vijayaraghavan (DIN: 00111953)	Mrs. Marykutty Varghese (DIN: 07307987)	Mr. A.P. George (DIN: 00106808)
Date of Birth	05/05/1950	30/11/1956	10/11/1953	19/10/1935
Date of Appointment	29/03/1989	30/04/1990	01/10/2015	25/09/1963
Qualification	SSLC	MBBS, MD (Paediatrics), DCH	SSLC	B.A., B.L.
Experience	Hails from a respectable business family of Irinjalakuda, engaged mainly in oil milling. He is having immense experience in oil milling. He joined as a Director of the Company effective from 29.03.1989. He is also acting as a member of the Stakeholders' Relationship Committee of the Company with effect from 28.09.2002 and as Chairman of the said Committee from 22.09.2015. He is also a member of Remuneration Committee.	Hails from a leading business family of Thrissur. He joined the Board of Directors of the Company on 30.04.1990 and is also a member of the Audit Committee effective from 28.09.2002 and Chairman of CSR Committee from 06.10.2014 from the inception of those Committees. He is a Paediatrician by profession with a Post Graduate Degree in Paediatrics from University of Bombay (Grant Medical College and J.J. Group of Hospitals, Bombay). At present he is working as a Consultant Child Specialist at Elite Mission Hospital, Trichur in which he is also a partner.	She has married to a respectable business family of Irinjalakuda engaged primarily in oil mill industry. She had passed SSLC equivalent to X th Standard. She has been appointed as a Director of the Board from 01.10.2015 and nominated to the Stakeholder's Relationship Committee of the Company by the Board.	He is a promoter director of the Company effective from 25.09.1963 and was acting as Director and Legal Advisor of the Company from 1.11.1994. He was also Chairman of Stakeholders Relationship Committee from 28.09.2002 to 22.09.2015. He was 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.
Directorships held in other Public Limited companies	Nil	Nil	Nil	Director in Catholic Union Chitties Ltd. (CIN: U65992KL1929PLC000191)
Memberships/Chairmanships of committees of other Public Limited companies	Nil	Nil	Nil	Nil
Number of shares held in the Company as on 31.03.2016	10,200	46,000	10,098	59,776

MAP SHOWING THE LOCATION OF THE VENUE OF 52ND ANNUAL GENERAL MEETING OF KSE LIMITED ON 31ST AUGUST, 2016



Land Mark: Near KS Park
Distance from Irinjalakuda Municipal Bus Stand : 1.50 km.

BOARD'S REPORT

Your Directors are pleased to present the 52nd Annual Report and the audited accounts for the financial year ended 31st March 2016

Financial Highlights

	Year ended 31.03.2016 ₹ in lakhs	Year ended 31.03.2015 ₹ in lakhs
Profit before Finance costs, Depreciation and amortisation expenses and Tax expenses	1,784.30	6,173.90
Less : Finance costs	131.34	194.49
Depreciation and amortisation expenses	<u>426.88</u>	<u>636.19</u>
Profit before exceptional items and tax	1,226.08	5,343.22
Add : Exceptional item - Profit on sale of landed property at Mysore	—	1,045.71
Profit before tax	1,226.08	6,388.93
Less : Tax expenses	468.01	2,025.52
Profit after tax for the current year	758.07	4,363.41
Add : Opening balance of Surplus	962.68	339.70
Sub-Total	1,720.75	4,703.11
Less : Appropriations		
Transition Adjustment relating to fixed assets	—	118.20
Transfer to General Reserve	100.00	1,700.00
Interim Equity dividend	—	960.00
Proposed dividend	640.00	640.00
Dividend distribution tax	<u>130.29</u>	<u>322.23</u>
Closing balance of Surplus	850.46	962.68

Dividend

Your Directors recommend a dividend of 200% (₹ 20.00 per share of ₹ 10 each) for the year ended 31st March, 2016, out of the profits of the Company for the year ended 31st March, 2016 and also from the accumulated profits as on that date as allowed by Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014, absorbing a total amount of ₹ 7,70,28,894 (including dividend distribution tax and cess thereon). The 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, 2016, 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 31st August, 2016. In respect of equity shares held in dematerialised form, the dividend will be paid to those beneficial owners of the equity shares as at the end of business hours on 24th August, 2016 as per the details furnished by the depositories for this purpose."

The dividend payout for the year 2015-16 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 up to and including for the financial year 2007-08 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 19, 2015 (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 2008-09 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 2016	Due date for Transfer to Investor Education and Protection Fund
2008-09 (Final Dividend)	27 August, 2009	26 August, 2016	384600	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	757970	30 August, 2020
2013-14 (Final Dividend)	25 September, 2014	24 September, 2021	1863680	25 October, 2021
2014-15 (Interim Dividend)	12 February, 2015	11 February, 2022	910400	14 March, 2022
2014-15 (Interim Dividend)	25 March, 2015	24 March, 2022	1731040	24 April, 2022
2014-15 (Final Dividend)	19 September, 2015	18 September, 2022	1879720	19 October, 2022

Transfer to Reserves

The Company proposes to transfer ₹ 100 lakhs to the General Reserve out of amount available for appropriations and an amount of ₹ 850.46 lakhs is proposed to be retained as Surplus.

Operating Results and Business Operations

The over-all profit after tax is ₹ 758.07 lakhs in year 2015-16 compared to ₹ 4,363.41 lakhs in the previous year. The profit for the year 2014-15 include profit on sale of landed property at Mysore amounting to ₹ 1045.71 lakhs. The turnover of the Company improved by 2.78 % from ₹ 900 crores to ₹ 925 crores during the year ended 31st March, 2016.

As stated in our earlier Report, year 2014-15 was extremely favourable for the Company in all fronts. The cost of ingredients for the animal feed was steady throughout that year and there was no call for disturbing the selling prices of the feed and this in turn helped to improve the sales volume of animal feed in that year. In year 2014-15, the coconut oil price was ruling above ₹ 120 per kg. and for a few months, it was between ₹ 145 and ₹ 150 a kg. The purchase cost of copra cake was also very reasonable, as the availability was very good in that year. The scenario has totally changed in year 2015-16 and we have to struggle hard to keep the Company out of red.

In the animal feed division the price of all major ingredients shot up in year 2015-16 by over 20% and we had to make correction in our selling prices of feed at short intervals. We could retain the gain in sales volume of around 10% in the previous year and could add another 2 % increase in the volume of feed sales in year 2015-16. Obviously, for the reasons narrated above, our margin in the Animal feed division thinned down to ₹ 212.63 lakhs in year 2015-16 compared to a bountiful profit of ₹ 2,580.57 lakhs in the previous year.

In the cake processing division the copra cake was available at steady rates, as we partially depended on imports, and thus could reduce the heat in the market generated by excessive demand. However, there was steady downfall in the selling price of coconut oil after June, 2015, and it crashed below ₹ 100 a kg. and then remained around ₹ 75 a kg. for the balance period of the year. We could improve the volume of cake processed by 27 % from 68,500 tons in the previous year to 87,400 tons in the year under report. Thus, the cake processing division reported a profit of ₹ 951.86 lakhs for the year 2015 -16 compared to a profit of ₹ 2,956.03 lakhs in the previous year.

In the Dairy division the volume of sale of ice cream registered a dip from 1088 kl. in the previous year to 973 kl. as a result of considered decision to cut short the sale of cheaper varieties of ice cream, wherein the margin is almost nil. The difference in procurement price of milk in Tamil Nadu and the selling price of milk in Kerala helped us to generate profits in Dairy division. Dairy division reported a profit of ₹ 161.68 lakhs compared to previous year figure of ₹ 19.98 lakhs.

Since April, 2016, 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 maintain 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 2016-17 arrival of local copra cake has improved and it is available in sufficient quantity at reasonable price. The price of Indonesian and Philippine copra cake has firmed up and at this point of time we cannot rely on imports. However, we do not expect any shortage of supply of copra cake. The market price of coconut oil is around ₹ 75/kg. at present. If the price of coconut oil continues at this level, our margins on cake processing will be very thin and this may affect our 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. 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 by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 2014-15. This Award is being received by the Company for the past 25 years consecutively since the inception of the award.

Number of meetings of the Board

Twelve 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.

Condolence

We, the Members of the Board, wish to place on record our profound grief and deep sense of sorrow at the sad demise of Shri P.K. Varghese, Executive Director on 12th July, 2015, who was in the Board as a Director since 29th December, 1970.

We also record our appreciation on the exemplary and selfless service rendered by him for the growth and development of the Company, during his tenor as a Director and then as an Executive Director.

Directors and Key Managerial Personnel

Consequent to the death of Mr. P.K. Varghese on 12th July, 2015, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, in their meeting held on 22nd September, 2015, appointed Mr. A.P. George, who is a director in the Board from the formation of the Company, as Executive Director with effect from 1st October, 2015. In accordance with Section 196 and other applicable provisions of the Companies Act, 2013, Resolution seeking approval of the shareholders for the appointment of Mr. A.P. George as Executive Director of the Company, has been incorporated in the Notice convening the forthcoming annual general meeting of the Company.

In the vacancy arising out of the sudden death of Mr. P.K. Varghese, Mrs. Marykutty Varghese was appointed as Additional Director with effect from 1st October, 2015, in the category of Non-Executive - Non-Independent Director. In accordance with Section 161 of the Companies Act, 2013, Mrs. Marykutty Varghese hold office up to the date of the forthcoming Annual General Meeting and being eligible offer her candidature for appointment as Director. Your approval for her appointment as Director in the category of Non-Executive - Non-Independent Director has been sought in the Notice convening the ensuing Annual General Meeting of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. P.D. Anto and Dr. K.C. Vijayaraghavan will retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Dr. Jose Paul Thaliyath, Mr. Joseph Xavier, Mrs. Sathi A. Menon and Mr. Paul John were appointed as Independent Directors of the Company and they hold that office for a fixed term of five years up to 25.09.2019 and are not liable for retirement by rotation, as provided in Section 149 of the Companies Act, 2013. In accordance with Section 149 (7) of the Companies Act, 2013, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. M.C. Paul, Managing Director, Mr. A.P. George, 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 2015-16, the Company paid sitting fees to its non-executive directors at ₹ 10,000 per meeting of the Board and ₹ 5,000 per meeting of committees of the Board attended by them. 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 as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have evaluated the effectiveness of the Board during the financial year ended 31st March, 2016. 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. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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, 2016, 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, 2016 and of the profit of the Company for the financial year ended 31st March, 2016;
- (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. The composition, terms of reference and attendance details of the CSR Committee are incorporated in the Corporate Governance Report. The Annual Report on CSR activities for the year ended 31st March, 2016 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 2015-16, 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 2015-16 and they will be submitting their Cost Audit Report within 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, 2016. The Secretarial Audit Report for the financial year ended 31st March, 2016 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 2015-16, the Company has not received any complaints on sexual harassment and no complaints remain pending as of 31st March, 2016.

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 “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, 2016

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.
 - 5.2.3 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.
 - 5.2.4 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.
 - 5.2.5 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, 2016**

- 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. There are four members in 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
₹ 2787.63 lakhs
(Average profit for financial years 2012-13, 2013-14 and 2014-15)
- 4 Prescribed CSR Expenditure
₹ 55.75 lakhs (2% of the above)
- 5 Details of CSR spent during the financial year
 - (a) Total amount to be spent
₹ 55.75 lakhs
 - (b) Amount unspent
Nil (Total amount spent under CSR for the financial year 2015-16 is ₹ 55.83 lakhs)
 - (c) Manner in which the amount was spent

Sl. No.	CSR activity identified	Sector in which the activity is covered	Area/ locality where the project is undertaken	Amount outlay (₹ in lakhs) (on each program)	Amount spent (₹ in lakhs) (direct expenditure on each program)	Cumulative Expenditure upto reporting period (₹ in lakhs)	Amount Spent (₹ in lakhs) - Direct
1	Providing One Dialysis Machine to Santhosham Hospital, Udumalpet to provide dialysis facility to patients at concessional rate.	Promotion of Health Care [Schedule VII (i)]	Udumalpet, Tamil Nadu	6.10	6.10	6.10	6.10
2	Renovation work of public pond behind Koodalmanikyam Temple, Irinjalakuda	Conservation of natural resources and maintaining quality of water [Schedule VII (iv)]	Local in Irinjalakuda	9.29	9.29	9.29	9.29
3	Bus to Pratheeksha Training Centre, Irinjalakuda, a charitable institution for the purpose of picking up and dropping the physically and mentally disabled children, who are day scholars, to and from the institution.	Promoting education and employment enhancing vocation skills for the differently abled children [Schedule VII (ii)]	Local in Irinjalakuda	14.53	14.53	14.53	14.53

Sl. No.	CSR activity identified	Sector in which the activity is covered	Area/ locality where the project is undertaken	Amount outlay (₹ in lakhs) (on each program)	Amount spent (₹ in lakhs) (direct expenditure on each program)	Cumulative Expenditure upto reporting period (₹ in lakhs)	Amount Spent (₹ in lakhs) - Direct
4	Purchase of utilities for X-Ray Machine and provision of essential hospital equipments for St. Vincent Diabetes Research Centre & Society, Irinjalakuda to help the patients in and around Irinjalakuda	Promoting Health care [Schedule VII (i)]	Local in Irinjalakuda	11.94	11.94	11.94	11.94
5	Utilities for inmates of Jeevayothi Agathimandhiram, Parappukkara, a charitable institution to protect poor, downtrodden, old aged and physically and mentally challenged people	Promotion of setting up of old age homes and such other facilities for senior citizens [Schedule VII (iii)]	Local near Irinjalakuda	3.72	3.72	3.72	3.72
6	Physiotherapy equipments to Alpha Palliative Care link Centre, Irinjalakuda for helping the poor and elderly patients	Promoting Health care [Schedule VII (i)]	Local near Irinjalakuda	3.71	3.71	3.71	3.71
7	Medicines for distribution to renal patients through Pain and Palliative Care Society, Thrissur	Promoting Health care [Schedule VII (i)]	Thrissur District	3.00	3.00	3.00	3.00
8	Distribute medicine through Oncology Department of Government Hospital, Thrissur to help the cancer patients by providing chemotherapy medicines free of cost	Promoting Health care [Schedule VII (i)]	Thrissur District	1.50	1.50	1.50	1.50
9	Reference books for the Library of Sahridaya college of advance studies, Kodakara for promotion of education	Promoting Education [Schedule VII (ii)]	Thrissur District	1.04	1.04	1.04	1.04
10	Cots etc. for inmates of St. George Asha Bhavan at Anandapuram, an old age home for women run by St. Martha Sisters	Promotion of setting up of old age homes and such other facilities for senior citizens [Schedule VII (iii)]	Local near Irinjalakuda	1.00	1.00	1.00	1.00

CSR Committee hereby confirms 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 : 30.05.2016

“ANNEXURE D” TO BOARD’S REPORT**DETAILS OF DEPOSITS ACCEPTED UNDER CHAPTER V**

(a)	Deposits accepted during the year	₹ 382.13 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, 2016

“ANNEXURE F” TO BOARD’S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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	10801 – Manufacture of cattle Feeds	85.22 %
2	Extraction of vegetable oil and meal from copra cake	10402, 10406–Manufacture of vegetable oils and meals	11.58 %

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 31.03.2016					

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-2015] (please see Note at end of this form)				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	748508	127890	876398	27.387	755875	107190	863065	26.971	-0.416
b) Central Govt.	-	-	-	-	-	-	-	-	

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015] (please see Note at end of this form)				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	748508	127890	876398	27.387	755875	107190	863065	26.971	-0.416
(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)	748508	127890	876398	27.387	755875	107190	863065	26.971	-0.416
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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	595150	8800	603950	18.873	600618	8800	609418	19.044	0.171
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹1 lakh	565755	745143	1310898	40.966	648442	624255	1272697	39.771	-1.195
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	129735	84740	214475	6.703	203777	84740	288517	9.016	2.313
c) Others (specify)									
Non Resident Indians	17123	1400	18523	0.579	24288	1400	25688	0.803	0.224
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015] (please see Note at end of this form)				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	-	-	-	-	-	-	-	-	-
Directors and Relatives	133409	28300	161709	5.053	105663	18300	123963	3.874	-1.179
Clearing Members	3326	-	3326	0.104	2176	-	2176	0.068	-0.036
Hindu Undivided Families	8838	-	8838	0.276	12593	-	12593	0.394	0.118
Trusts	1883	-	1883	0.059	1883	-	1883	0.059	0.000
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1455219	868383	2323602	72.613	1599440	737495	2336935	73.029	0.416
Total Public Shareholding (B)=(B)(1) + (B)(2)	1455219	868383	2323602	72.613	1599440	737495	2336935	73.029	0.416
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	2203727	996273	3200000	100.000	2355315	844685	3200000	100.000	0.000

B) Shareholding of Promoters (Please see Note at the end of this Form)

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	0.250	0.000	8000	0.250	0.000	0.000
2	A K Jose	5350	0.167	0.000	2231	0.070	0.000	-0.097
3	A O Rosy	1600	0.050	0.000	1600	0.050	0.000	0.000
4	A P Paul	4300	0.134	0.000	4300	0.134	0.000	0.000
5	Alice George	8700	0.272	0.000	8700	0.272	0.000	0.000
6	Allu P Anto	200	0.006	0.000	200	0.006	0.000	0.000
7	Anil Kumar K C	20000	0.625	0.000	20000	0.625	0.625	0.000
8	Anish P Anto	900	0.028	0.000	900	0.028	0.000	0.000
9	Annie Paul	3985	0.125	0.000	-	-	-	-0.125
10	Anto PD.	10200	0.319	0.000	10200	0.319	0.000	0.000
11	Antony A G	5400	0.169	0.000	5400	0.169	0.000	0.000
12	Anu Maria	4400	0.138	0.000	4400	0.138	0.000	0.000
13	Bastian Devassy	1200	0.038	0.000	1200	0.038	0.000	0.000
14	Beena John	12260	0.383	0.000	12260	0.383	0.000	0.000
15	Beena Kailashnathan	13700	0.428	0.000	13700	0.428	0.000	0.000
16	Binu Ann	4400	0.138	0.000	4400	0.138	0.000	0.000
17	Daisy Jose	12000	0.375	0.000	12000	0.375	0.000	0.000
18	Dony A G	11580	0.362	0.000	11580	0.362	0.000	0.000
19	Dr Francis Alappat	500	0.016	0.000	500	0.016	0.000	0.000
20	Elikutty Chakkunny	400	0.013	0.000	400	0.013	0.000	0.000
21	Esta Jackson	22100	0.691	0.000	22100	0.691	0.000	0.000
22	Fr Jose Akkarakkaran	8160	0.255	0.000	8160	0.255	0.000	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	
23	Gayathri Vijayaraghavan	824	0.026	0.000	824	0.026	0.000	0.000
24	George A P	58581	1.831	0.000	59776	1.868	0.000	0.037
25	George Therattil	900	0.028	0.000	900	0.028	0.000	0.000
26	Honey Roy	1800	0.056	0.000	1800	0.056	0.000	0.000
27	Jackson M P	6600	0.206	0.000	6600	0.206	0.000	0.000
28	John Francis	18120	0.566	0.000	18120	0.566	0.000	0.000
29	Johnson P D	13900	0.434	0.000	13900	0.434	0.000	0.000
30	Jojoy Thomas K	1600	0.050	0.000	1600	0.050	0.000	0.000
31	K C Sasidharan	100	0.003	0.000	100	0.003	0.000	0.000
32	K C Vijayaraghavan	46000	1.438	0.000	46000	1.438	0.000	0.000
33	Kollara Chathunny Pyarelal	23157	0.724	0.000	22752	0.711	0.000	-0.013
34	Latha Venugopal	200	0.006	0.000	200	0.006	0.000	0.000
35	Lathika Vijayaraghavan	15300	0.478	0.000	15300	0.478	0.000	0.000
36	Leera Jeejo	4000	0.125	0.000	4000	0.125	0.000	0.000
37	M C Johnson	5500	0.172	0.000	5500	0.172	0.000	0.000
38	M P Bright	6500	0.203	0.000	6500	0.203	0.000	0.000
39	M P Gigi	6500	0.203	0.000	6500	0.203	0.000	0.000
40	M V Ritamma	12100	0.378	0.000	12100	0.378	0.000	0.000
41	M.C. Paul	37238	1.164	0.000	37238	1.164	0.000	0.000
42	Mariamman Anto	10500	0.328	0.000	10500	0.328	0.000	0.000
43	Marina Vincent	3656	0.114	0.000	2703	0.084	0.000	-0.030
44	Marykutty Varghese	5	0.000	0.000	10098	0.316	0.000	0.316
45	Meera Pyarelal	545	0.017	0.000	545	0.017	0.000	0.000
46	Mercy Bastian	16600	0.519	0.000	16600	0.519	0.000	0.000
47	Molly Tomy	21200	0.663	0.000	21200	0.663	0.000	0.000
48	P D Vincent	1800	0.056	0.000	1120	0.035	0.000	-0.021
49	P.D. George	100	0.003	0.000	100	0.003	0.000	0.000
50	Paul Francis	24700	0.772	0.000	23600	0.738	0.000	-0.034
51	Prakasan K C .	12360	0.386	0.000	13160	0.411	0.000	0.025
52	Prince Panikulam	3800	0.119	0.000	3800	0.119	0.000	0.000
53	Pushpam Bright	21100	0.659	0.000	21100	0.659	0.000	0.000
54	Reena Gigi	21200	0.662	0.000	21200	0.662	0.000	0.000
55	Reena Jojoy	7500	0.234	0.000	7500	0.234	0.000	0.000
56	Rose Varghese	4000	0.125	0.000	4000	0.125	0.000	0.000
57	Rosy Baby	100	0.003	0.000	100	0.003	0.000	0.000
58	Sally Paul	400	0.012	0.000	400	0.012	0.000	0.000
59	Sariga Raghulal	200	0.006	0.000	200	0.006	0.000	0.000
60	Sawmiya Gino	7000	0.219	0.000	7010	0.219	0.000	0.000
61	Seema Suresh	4600	0.144	0.000	4600	0.144	0.000	0.000
62	Sheela Rajiven	13700	0.428	0.000	13700	0.428	0.000	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	
63	Shiny Francis	9000	0.281	0.000	9000	0.281	0.000	0.000
64	Shyama Prakasan	500	0.016	0.000	500	0.016	0.000	0.000
65	Siddharth Vijayaraghavan	216	0.006	0.000	216	0.006	0.000	0.000
66	Simi Jackson	1000	0.031	0.000				-0.031
67	Sini R. Santosh	13500	0.422	0.000	13500	0.422	0.000	0.000
68	Sinu Ann	4700	0.147	0.000				-0.147
69	Sonia Sunny	14410	0.450	0.000	14410	0.450	0.000	0.000
70	Suja Johnson Pokkath	17100	0.534	0.000	17100	0.534	0.000	0.000
71	Sumy Paul	2170	0.068	0.000	2170	0.068	0.000	0.000
72	Sunil Kumar K C	1890	0.059	0.000	1890	0.059	0.000	0.000
73	Sunny Francis	17240	0.539	0.000	17240	0.539	0.000	0.000
74	Suresh Jose	1400	0.044	0.000	1400	0.044	0.000	0.000
75	Susan Francis	10600	0.331	0.000	10600	0.331	0.000	0.000
76	T R Venugopal	25700	0.803	0.000	26196	0.819	0.000	0.016
77	T.R. Ragulal	29208	0.913	0.000	29208	0.913	0.000	0.000
78	T.R. Vijayakumar	25635	0.801	0.000	25643	0.801	0.000	0.000
79	Teena Prince	2515	0.079	0.000	2515	0.079	0.000	0.000
80	Tessy George	4900	0.153	0.000	4900	0.153	0.000	0.000
81	Thimathews Thomas Perumbilly	20200	0.631	0.000	20200	0.631	0.000	0.000
82	Thressiamma George	26020	0.813	0.000	26120	0.816	0.000	0.003
83	Tomy M P	6600	0.206	0.000	6600	0.206	0.000	0.000
84	Usha Francis	3900	0.122	0.000	3900	0.122	0.000	0.000
85	Usha Hemachandran	22320	0.698	0.000	22320	0.698	0.000	0.000
86	Varghese P K	10093	0.315	0.000				-0.315
87	Vasudevan K C	12260	0.383	0.000	12260	0.383	0.000	0.000
		876398	27.387	0.000	863065	26.971	0.625	-0.416

C) Change in Promoters' Shareholding - (Please see Note at the end of this Form)

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	876398	27.387		
	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	863065	26.971		

Transfer details of promoters are given in the next page.

INCREASE/DECREASE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name	Shareholding (Please see Note at the end of this Form)		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2015 to 31.03.2016	
		No of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the Company				No of shares	% of total shares of the Company
1	George A P	58581	1.831	01-Apr-15			58581	1.831
				27-Nov-15	97	Transfer	58678	1.834
				29-Jan-16	100	Transfer	58778	1.837
				05-Feb-16	100	Transfer	58878	1.840
				26-Feb-16	370	Transfer	59248	1.852
				11-Mar-16	128	Transfer	59376	1.856
				25-Mar-16	200	Transfer	59576	1.862
		59776	1.868	31-Mar-16	200	Transfer	59776	1.868
2	T R Venugopal	25700	0.803	01-Apr-15			25700	0.803
				25-Dec-15	105	Transfer	25805	0.806
				18-Mar-16	391	Transfer	26196	0.819
		26196	0.819	31-Mar-16			26196	0.819
3	Thressiamma George	26020	0.813	01-Apr-15			26020	0.813
				11-Mar-16	100	Transfer	26120	0.816
		26120	0.816	31-Mar-16			26120	0.816
4	Thandassery Raghavan Vijayakumar	25635	0.801	01-Apr-15			25635	0.801
				26-Feb-16	7	Transfer	25642	0.801
				04-Mar-16	1	Transfer	25643	0.801
		25643	0.801	31-Mar-16			25643	0.801
5	Paul Francis	24700	0.772	01-Apr-15			24700	0.772
				10-Apr-15	-400	Transfer	24300	0.759
				15-May-15	-100	Transfer	24200	0.756
				22-May-15	-100	Transfer	24100	0.753
				05-Jun-15	-300	Transfer	23800	0.744
				12-Jun-15	-200	Transfer	23600	0.738
		23600	0.738	31-Mar-16			23600	0.738
6	Prakasan K C	12360	0.386	01-Apr-15			12360	0.386
				20-Nov-15	680	Transfer	13040	0.408
				27-Nov-15	120	Transfer	13160	0.411
		13160	0.411	31-Mar-16			13160	0.411

Sl. No.	Name	Shareholding (Please see Note at the end of this Form)		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2015 to 31.03.2016	
		No of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the Company				No of shares	% of total shares of the Company
7	Kollara Chathunny Pyarelal	23157	0.724	01-Apr-15			23157	0.724
				22-May-15	1	Transfer	23158	0.724
				05-Jun-15	100	Transfer	23258	0.727
				19-Jun-15	1	Transfer	23259	0.727
				26-Jun-15	-417	Transfer	22842	0.714
				03-Jul-15	-90	Transfer	22752	0.711
		22752	0.711	31-Mar-16			22752	0.711
8	Marykutty Varghese	5	0.000	01-Apr-15			5	0.000
				05-Jun-15	5	Transfer	10	0.000
				12-Jun-15	100	Transfer	110	0.003
				26-Jun-15	-105	Transfer	5	0.000
				11-Sep-15	10093	Transfer	10098	0.316
		10098	0.316	31-Mar-16			10098	0.316
9	Sawmiya Gino	7000	0.219	01-Apr-15			7000	0.219
				04-Mar-16	10	Transfer	7010	0.219
		7010	0.219	31-Mar-16			7010	0.219
10	Marina Vincent	3656	0.114	01-Apr-15			3656	0.114
				10-Apr-15	-300	Transfer	3356	0.105
				17-Apr-15	-100	Transfer	3256	0.102
				15-May-15	-100	Transfer	3156	0.099
				22-May-15	-100	Transfer	3056	0.096
				05-Jun-15	75	Transfer	3131	0.098
				03-Jul-15	70	Transfer	3201	0.100
				10-Jul-15	-19	Transfer	3182	0.099
				17-Jul-15	53	Transfer	3235	0.101
				24-Jul-15	24	Transfer	3259	0.102
				31-Jul-15	100	Transfer	3359	0.105
				07-Aug-15	-100	Transfer	3259	0.102
				28-Aug-15	265	Transfer	3524	0.110
				04-Sep-15	9	Transfer	3533	0.110
				13-Nov-15	-881	Transfer	2652	0.083
				31-Dec-15	60	Transfer	2712	0.085
				15-Jan-16	-9	Transfer	2703	0.084
		2703	0.084	31-Mar-16			2703	0.084

Sl. No.	Name	Shareholding (Please see Note at the end of this Form)		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2015 to 31.03.2016	
		No of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the Company				No of shares	% of total shares of the Company
11	Jose A K	5350	0.167	01-Apr-15			5350	0.167
				10-Apr-15	-215	Transfer	5135	0.160
				17-Apr-15	-130	Transfer	5005	0.156
				22-May-15	-200	Transfer	4805	0.150
				05-Jun-15	-100	Transfer	4705	0.147
				12-Jun-15	-150	Transfer	4555	0.142
				14-Aug-15	-445	Transfer	4110	0.128
				11-Sep-15	-155	Transfer	3955	0.124
				18-Sep-15	-76	Transfer	3879	0.121
				25-Sep-15	-150	Transfer	3729	0.117
				09-Oct-15	-100	Transfer	3629	0.113
				23-Oct-15	-336	Transfer	3293	0.103
				27-Nov-15	-200	Transfer	3093	0.097
				11-Dec-15	-60	Transfer	3033	0.095
				18-Dec-15	-232	Transfer	2801	0.088
				31-Dec-15	-450	Transfer	2351	0.073
				08-Jan-16	-100	Transfer	2251	0.070
				18-Mar-16	-20	Transfer	2231	0.070
		2231	0.070	31-Mar-16			2231	0.070
12	Vincent P D	1800	0.056	01-Apr-15			1800	0.056
				29-Apr-15	-1200	Transfer	600	0.019
				29-Apr-15	-100	Transfer	500	0.016
				01-May-15	1300	Transfer	1800	0.056
				15-May-15	-100	Transfer	1700	0.053
				12-Jun-15	-100	Transfer	1600	0.050
				26-Jun-15	100	Transfer	1700	0.053
				31-Jul-15	10	Transfer	1710	0.053
				13-Nov-15	-575	Transfer	1135	0.035
				31-Dec-15	-15	Transfer	1120	0.035
		1120	0.035	31-Mar-16			1120	0.035
13	Annie Paul	3985	0.125	01-Apr-15			3985	0.125
				03-Apr-15	-766	Transfer	3219	0.101
				10-Apr-15	-2219	Transfer	1000	0.031
				17-Apr-15	-1000	Transfer	0	0
		0	0.000	31-Mar-16			0	0
14	Sinu Ann	4700	0.147	01-Apr-15			4700	0.147
				17-Apr-15	-4700	Transfer	0	0
		0	0	31-Mar-16			0	0

Sl. No.	Name	Shareholding (Please see Note at the end of this Form)		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2015 to 31.03.2016	
		No of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the Company				No of shares	% of total shares of the Company
15	Simi Jackson	1000	0.031	01-Apr-15			1000	0.031
				18-Dec-15	-50	Transfer	950	0.030
				25-Dec-15	-550	Transfer	400	0.013
				04-Mar-16	-150	Transfer	250	0.008
		0	0	31-Mar-16	-250	Transfer	0	0
16	Varghese P.K.	10093	0.315	01-Apr-15			10093	0.315
				11-Sep-15	-10093	Transfer	0	0
		0	0	31-Mar-16			0	0

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 01.04.2015 to 31.03.2016	
		No of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the Company				No of shares	% of total shares of the Company
1	PJD Properties And Investments Private Limited	545031	17.032	01-Apr-15		Nil movement during the year	545031	17.032
		545031	17.032	31-Mar-16			545031	17.032
2	Gopinathan C K	0	0	22-May-15	739	Transfer	739	0.023
				29-May-15	740	Transfer	1479	0.046
				05-Jun-15	-1479	Transfer	0	0
				19-Feb-16	3870	Transfer	3870	0.121
				26-Feb-16	16817	Transfer	20687	0.646
				04-Mar-16	3742	Transfer	24429	0.763
				11-Mar-16	1451	Transfer	25880	0.809
				18-Mar-16	45	Transfer	25925	0.810
				25-Mar-16	268	Transfer	26193	0.819
		26393	0.825	31-Mar-16	200	Transfer	26393	0.825

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2015 to 31.03.2016	
		No of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the Company				No of shares	% of total shares of the Company
3	Radha Anand Menon	24711	0.772	01-Apr-15			24711	0.772
				29-Jan-16	3165	Transfer	27876	0.871
				26-Feb-16	150	Transfer	28026	0.876
		28026	0.876	31-Mar-16			28026	0.876
4	Nina Paul	22100	0.691	1-Apr-15		Nil movement during the year	22100	0.691
		22100	0.691	31-Mar-16			22100	0.691
5	SCMS Investment Services Private Limited	22027	0.688	1-Apr-15		Nil movement during the year	22027	0.688
		22027	0.688	31-Mar-16			22027	0.688
6	Mary Jose	18420	0.576	1-Apr-15		Nil movement during the year	18420	0.576
		18420	0.576	31-Mar-16			18420	0.576
7	Shandy Joy	17800	0.556	1-Apr-15		Nil movement during the year	17800	0.556
		17800	0.556	31-Mar-16			17800	0.556
8	Susamma Jose	15958	0.499	01-Apr-15		Nil movement during the year	15958	0.499
		15958	0.499	31-Mar-16			15958	0.499
9	Kurudiara Madhavi	15840	0.495	1-Apr-15		Nil movement during the year	15840	0.495
		15840	0.495	31-Mar-16			15840	0.495
10	K L John	14680	0.459	1-Apr-15		Nil movement during the year	14680	0.459
		14680	0.459	31-Mar-16			14680	0.459

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2015 to 31.03.2016	
		No of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the Company				No of shares	% of total shares of the Company
A DIRECTORS :								
1	M C Paul Managing Director	37238	1.164	1-Apr-15		Nil movement during the year	37238	1.164
		37238	1.164	31-Mar-16			37238	1.164

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2015 to 31.03.2016	
		No of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the Company				No of shares	% of total shares of the Company
2	PK. Varghese Executive Director (up to 12.07.2015)	10093	0.315	01-Apr-15			10093	0.315
				11-Sep-15	-10093	Transfer	0	0
		0	0	31-Mar-16			0	0
3	A P George Non- Executive Director upto 30.09.2015 and thereafter as Executive Director from 01.10.2015	58581	1.831	01-Apr-15			58581	1.831
				27-Nov-15	97	Transfer	58678	1.834
				29-Jan-16	100	Transfer	58778	1.837
				05-Feb-16	100	Transfer	58878	1.840
				26-Feb-16	370	Transfer	59248	1.851
				11-Mar-16	128	Transfer	59376	1.855
				25-Mar-16	200	Transfer	59576	1.862
		59776	1.866	31-Mar-16	200	Transfer	59776	1.866
4	P D Anto Non- Executive Director	10200	0.319	01-Apr-15		Nil movement during the year	10200	0.319
		10200	0.319	31-Mar-16			10200	0.319
5	Dr. K C Vijayaraghavan Non- Executive Director	46000	1.438	01-Apr-15		Nil movement during the year	46000	1.438
		46000	1.438	31-Mar-16			46000	1.438
6	John Francis Non- Executive Director	18120	0.566	01-Apr-15		Nil movement during the year	18120	0.566
		18120	0.566	31-Mar-16			18120	0.566
7	T R Raghulal Non- Executive Director	29208	0.913	01-Apr-15		Nil movement during the year	29208	0.913
		29208	0.913	31-Mar-16			29208	0.913
8	Dr Jose Paul Thaliyath Independent Non- Executive Director	27117	0.847	01-Apr-15			27117	0.847
				04-Mar-16	2400	Transfer	29517	0.922
		29517	0.922	31-Mar-16			29517	0.922
9	Joseph Xavier Independent Non- Executive Director	18597	0.581	01-Apr-15			18597	0.581
				31-Jul-15	410	Transfer	19007	0.594
				25-Sep-15	-30	Transfer	18977	0.593
				25-Dec-15	-300	Transfer	18677	0.584
				31-Dec-15	-100	Transfer	18577	0.581
				19-Feb-16	-500	Transfer	18077	0.565
		18077	0.565	31-Mar-16			18077	0.580

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2015 to 31.03.2016	
		No of shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total shares of the Company				No of shares	% of total shares of the Company
10	Sathi A Menon Independent Non- Executive Director	0	0	01-Apr-15		Nil holding/ movement during the year	0	0
		0	0	31-Mar-16			0	0
11	Paul John Independent Non- Executive Director	4400	0.137	01-Apr-15		Nil movement during the year	4400	0.137
		4400	0.137	31-Mar-16			4400	0.137
12	Marykutty Varghese Non- Executive Director (from 01.10.2015)	5	0.000	01-Apr-15			5	0.000
				05-Jun-15	5	Transfer	10	0.000
				12-Jun-15	100	Transfer	110	0.003
				26-Jun-15	-105	Transfer	5	0.000
				11-Sep-15	10093	Transfer	10098	0.316
		10098	0.316	31-Mar-16	0		10098	0.316
B KEY MANAGERIAL PERSONS :								
1	R. Sankaranarayanan CFO & Company Secretary	2411	0.075	01-Apr-15		Nil movement during the year	2411	0.075
		2411	0.075	31-Mar-16			2411	0.075

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 (01.04.2015)				
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
Change in Indebtedness during the financial year				
• Addition	#23.28		382.13	405.41
• Reduction	#600.00		401.53	1001.53
Net Change	-576.72		-19.40	-596.12
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	236.06		903.93	1139.99
ii) Interest due but not paid				
iii) Interest accrued but not due			95.12	95.12
Total (i + ii + iii)	236.06		999.05	1235.11

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) up to 12.07.2015	A.P. George (Executive Director) from 01.10.2015	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.44	5.28	9.36	44.08
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.17	0.46		2.63
	(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				
	Employer Contribution to Provident Fund	2.94	0.53	0.94	4.41
	Provision for Gratuity	3.40	5.02		8.42
	Total (A)	37.95	11.29	10.30	59.54
	Ceiling as per the Act	₹ 124.78 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*	P D Anto	Dr K C Vijayaraghavan	John K Francis	T R Raghulal	Dr Jose Paul Thaliyath	Joseph Xavier	Sathi A Menon	Paul John	Marykutty Varghese**	
1	Independent Directors											
	Fee for attending board and committee meetings	-	-	-	-	-	2.60	1.50	1.65	1.65		7.40
	Commission											
	Others, please specify											
	Total (1)	-	-	-	-	-	2.60	1.50	1.65	1.65		7.40
2	Other Non-Executive Directors											
	Fee for attending board and committee meetings	1.40	2.55	1.65	1.95	0.50	-	-	-	-	0.70	8.75
	Commission											
	Others – Professional Fee	1.50	-	-	-	-	-	-	-	-	-	1.50
	Total (2)	2.90	2.55	1.65	1.95	0.50	-	-	-	-	0.70	10.25
	Total (B)=(1+2)	2.90	2.55	1.65	1.95	0.50	2.60	1.50	1.65	1.65	0.70	17.65
	Ceiling as per the Act	₹ 12.48 lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)										

* Mr. A.P. George was in receipt of professional fees and sitting fees up to 30.09.2015 and thereafter he was appointed as Executive Director.

** Appointed as Director with effect from 01.10.2015.

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	27.58
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.16
	(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	2.47
	Total	32.21

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					

Note : During the year 2015-16, the shareholding pattern furnished to the Stock Exchange was modified by removing the shareholding of Non-promoters from the list of Promoters, which was earlier categorised under the Promoter's Shareholding itself. In order to streamline the data furnished in Form No. MGT 9 in line with the data furnished to the Stock Exchange, the details relating to the previous year have been suitably modified.

“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 31.03.2016

[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 2016 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 2016 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 Mumbai Stock Exchange;

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:
- a) maintenance of various statutory registers and documents and making necessary entries therein;
 - b) closure of the Register of Members / Debenture holders;
 - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - e) notice of Board meetings and Committee meetings of Directors;
 - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - g) the 51st Annual General Meeting held on September 19, 2015;
 - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - j) payment of remuneration to Directors, including the Managing Director;
 - k) appointment and remuneration of Auditors and Cost Auditors;
 - l) transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
 - m) declaration and payment of dividends;
 - n) 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;
 - o) borrowings and registration, modification and satisfaction of charges wherever applicable;
 - p) investment of the Company's funds including inter-corporate loans and investments and loans to others;
 - q) 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;
 - r) preparation of Directors Report;
 - s) execution of contracts, affixing of common seal, registered office and publication of name of the company; and
 - t) generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:-
- a) 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.
 - b) 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.
 - c) 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.
 - d) Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.
 - e) 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 : 30.05.2016

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 2015-16 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 (See Note 1 below)	2.90	1.10
2	P D Anto	2.55	0.97
3	Dr K C Vijayaraghavan	1.65	0.62
4	John Francis K	1.95	0.74
5	T R Ragulal	0.50	0.19
6	Dr. Jose Paul Thaliyath	2.60	0.98
7	Joseph Xavier	1.50	0.57
8	Sathi A Menon	1.65	0.62
9	Paul John	1.65	0.62
10	Marykutty Varghese (See Note 2 below)	0.70	0.26
Executive Directors			
1	M C Paul	37.95	14.36
2	P K Varghese (See Note 3 below)	11.29	4.27
3	A P George (See Note 1 below)	10.30	3.90

Notes :

1. Mr. A.P. George was in receipt of professional fees and sitting fees until he was appointed as Executive Director with effect from 01.10.2015. Accordingly, the remuneration shown above against his name is for part of the financial year 2015-16.
2. Mrs. Marykutty Varghese was appointed as Additional Director of the Company with effect from 01.10.2015. Accordingly, the remuneration shown above against her name is for part of the financial year 2015-16.
3. Mr. P. K. Varghese expired on 12.07.2015 and the remuneration shown above against his name is for part of the financial year 2015-16.

B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2015-16 are as follows:

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2015-16	2014-15	
1	A P George	Executive Director (See Note 1 above)	13.20	4.93	167.75
2	P D Anto	Non- executive Director	2.55	2.28	11.84
3	Dr K C Vijayaraghavan	Non- executive Director	1.65	1.31	25.95
4	John K Francis	Non- executive Director	1.95	1.31	48.85
5	T R Ragulal	Non- executive Director	0.50	0.24	108.33
6	Dr. Jose Paul Thaliyath	Non- executive and Independent Director	2.60	1.45	79.31
7	Joseph Xavier	Non- executive and Independent Director	1.50	1.36	10.29
8	Sathi A Menon	Non- executive and Independent Director	1.65	0.92	*

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2015-16	2014-15	
9	Paul John	Non- executive and Independent Director	1.65	0.30	*
10	Marykutty Varghese	Non- executive Director	0.70	--	*
11	M C Paul	Managing Director	37.95	45.31	#
12	P K Varghese	Executive Director	11.29	16.30	*
13	R. Sankaranarayanan	CFO and Company Secretary	32.21	29.29	9.97

* The percentage increase in remuneration is not reported in these cases as the respective Directors were holding Directorship only for a part of either the financial year 2014-15 or 2015-16.

The change in remuneration of Mr. M.C. Paul is due to change in provision for gratuity compared to that of previous year.

C. The percentage increase in the median remuneration of employees in the financial year : 16.46 %.

D. The number of permanent employees on the rolls of Company: 889 as on 31.03.2016.

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 2015-16 as compared to the financial year 2014-15 was 10.17 %. The Company does not have employees outside India.

The key indices of Company's performance are:

(₹ in lakhs)

Particulars	2015-16	2014-15	Growth (%)
Net Revenue from operations	92493.46	89970.05	2.80
Profit Before Tax and Exceptional Items	1226.08	5343.22	-77.05
Profit After Tax	758.07	4363.41	-82.63

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. The reasons for decrease in profit have been explained in the Board's Report.

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

Aggregate remuneration of Key Managerial Personnel (KMP) for 2015-16 financial year (₹ in lakhs)	91.75
Revenue (₹ in lakhs)	92493.46
Remuneration of KMPs (as a % of revenue)	0.10
Profit before Tax (PBT) (₹ in lakhs)	1226.08
Remuneration of KMPs (as a % of PBT)	7.48

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 31.03.2016	As on 31.03.2015	Increase/ (Decrease) (%)
Price Earnings Ratio	22.83	5.19	339.88
Market Capitalisation (₹ in lakhs)	17286.40	22656.00	-23.70

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 31.03.2016	As on 21.07.1994 *	Increase/ (Decrease) (%)
Market Price (BSE)	540.20	50.00	980.40

* 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 10.17 %.

The increase in managerial remuneration for the year was 3.30 %.

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. Late P.K. Varghese and Mr. A.P. George were acting as Executive Directors only for a part of the year. Increase in the remuneration of CFO and Company Secretary was 9.97 %. The increase in managerial remuneration is normal and in line with local industrial standards.

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	A.P. George Executive Director	R. Sankara- narayanan CFO & CS
Aggregate remuneration of Key Managerial personnel (KMP) for Financial Year 2015-16 (₹ in lakhs)	37.95	11.29	10.30	32.21
Revenue for Financial Year 2015-16 (₹ in lakhs)	92493.46			
Remuneration as a % of revenue	0.04	0.01	0.01	0.03
Profit Before Tax (PBT) (₹ in lakhs)	1226.08			
Remuneration (as a % of PBT)	3.10	0.92	0.84	2.63

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 2015-16 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 2015-16 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.

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

	2015-2016 ₹ in lakhs	2014-2015 ₹ in lakhs
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	7,049.24	4,550.76

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 two woman directors. There is no relationship between Directors inter-se. Two of the Directors, 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 31.03.2016, number of Board Meetings attended by them during the financial year 2015-16, 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 19.09.2015	No. of Other Directorships *		Committee Members	
						Director	Chairman	Member	Chairman
1	Dr. Jose Paul Thaliyath, Chairman	Non-Executive Independent	29,517	12	Present	—	—	—	—
2	Mr. M.C. Paul Managing Director	Executive	37,238	12	Present	—	—	—	—
3	Mr. P.K. Varghese Executive Director	Executive (Died on 12.07.2015)	Nil	3	Not applicable	—	—	—	—
4	Mr. A.P. George, Executive Director	Executive (From 01.10.2015)	59,776	12	Present	1	—	—	—
5	Mr. P.D. Anto Director	Non-Executive	10,200	12	Present	—	—	—	—
6	Mr. John Francis K. Director	Non-Executive	18,120	12	Present	—	—	—	—
7	Dr. K.C. Vijayaraghavan Director	Non-Executive	46,000	12	Present	—	—	—	—
8	Mr. T.R. Ragulal Director	Non-Executive	29,208	5	Present	—	—	—	—
9	Mr. Joseph Xavier Director	Non-Executive Independent	18,077	12	Present	—	—	—	—
10	Mrs. Sathi A. Menon Woman Director	Non-Executive Independent	Nil	12	Present	—	—	—	—
11	Mr. Paul John Director	Non-Executive Independent	4,400	12	Present	—	—	—	—
12	Marykutty Varghese Woman Director	Non-Executive (From 01.10.2015)	10,098	6	Not applicable	—	—	—	—

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

During the year 2015-2016, the Board met 12 times on the follows dates:

Sl. No.	Date	Sl. No.	Date	Sl. No.	Date	Sl. No.	Date
1	7 th May, 2015	4	23 rd July, 2015	7	15 th October, 2015	10	21 st January, 2016
2	30 th May, 2015	5	13 th August, 2015	8	12 th November, 2015	11	12 th February, 2016
3	30 th June, 2015	6	22 nd September, 2015	9	30 th December, 2015	12	10 th March, 2016

for the details of the familiarisation programmes imparted to Independent Directors please visit "www.kselimited.com".

3. Audit Committee

Audit Committee is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 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
- review the functioning of the whistle blower mechanism
- approval of appointment of Chief Financial Officer, after assessing his qualifications, experience and background, etc.

The Audit Committee had met six times in the year 2015-16 and the attendance of each member of the Committee was as follows:

Date of Meeting	Mrs. Sathi A. Menon	Dr. Jose Paul Thaliyath	Dr. K.C. Vijayaraghavan	Mr. Paul John
28/05/2015	Present	Present	Present	Present
30/07/2015	Present	Present	Present	Present
10/08/2015	Present	Present	Present	Present
11/11/2015	Present	Present	Present	Present
11/02/2016	Present	Present	Present	Present
27/02/2016	Present	Present	Present	Present

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 Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 the members of the Committee. Mr. Joseph Xavier is nominated by the Board as the Chairman of the Committee.

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 Committee met twice in the year 2015-16 and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. Joseph Xavier	Mrs. Sathi A. Menon	Mr. Paul John	Mr. P.D. Anto
28/05/2015	Present	Present	Present	Present
22/09/2015	Present	Present	Present	Present

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.

5. Remuneration of Directors

The non-executive directors are paid only sitting fees for meetings of the Board or any Committees thereof attended by them. The details of remuneration to the Directors for the year 2015-16 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	35.78	2.17	—	—	37.95
2	Mr. P.K. Varghese	Executive Director (up to 12.07.2015)	10.83	0.46	—	—	11.29
3	Mr. A.P. George*	Executive Director (from 01.10.2015)	10.30	—	1.50	1.40	13.20
4	Dr. Jose Paul Thaliyath	Director & Chairman	—	—	—	2.60	2.60
5	Mr. P.D. Anto	Director	—	—	—	2.55	2.55
6	Dr. K.C. Vijayaraghavan	Director	—	—	—	1.65	1.65
7	Mr. John Francis K.	Director	—	—	—	1.95	1.95
8	Mr. T.R. Ragulal	Director	—	—	—	0.50	0.50
9	Mr. Joseph Xavier	Director	—	—	—	1.50	1.50
10	Mrs. Sathi A. Menon	Director	—	—	—	1.65	1.65
11	Mr. Paul John	Director	—	—	—	1.65	1.65
12	Mrs. Marykutty Varghese	Director (from 01.10.2015)	—	—	—	0.70	0.70

* Mr. A.P. George was paid professional fees for his advisory services and sitting fees as non-executive director only up to 30.09.2015. He is in receipt of salary and allowances thereafter in the capacity of executive director.

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

6. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee has been constituted as per Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. A.P. George was the Chairman of this Committee. Later, when he was appointed as Executive Director, Mr. P.D. Anto was appointed as Chairman. Currently, Mr. A.P. George, Mr. T. R. Ragulal and Mrs. Marykutty Varghese are the other members of the Committee. Mr. R. Sankaranarayanan, Chief Financial Officer and Company Secretary has been designated as the Compliance Officer. During the year 2015-16, no complaint was received from shareholders. 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 2015-16 and it was attended as follows:

Date of Meeting	Mr. A.P. George	Mr. P.D. Anto	Mr. T.R. Ragulal	Mr. John Francis K.	Mrs. Marykutty Varghese
30/05/2015	Present	Present	Leave of Absence	Present	Not applicable
13/08/2015	Present	Present	Leave of Absence	Present	Not applicable
12/11/2015	Present	Present	Leave of Absence	Not applicable	Present
12/02/2016	Present	Present	Leave of Absence	Not applicable	Present

7. Corporate Social Responsibility (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. 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, 2016, the CSR Committee met thrice and attendance of each member of the Committee was as follows:

Date of Meeting	Dr. K.C. Vijayaraghavan	Mr. John Francis K.	Mr. T.R. Ragulal	Mr. Joseph Xavier
07/08/2015	Present	Present	Leave of absence	Present
26/11/2015	Present	Present	Leave of absence	Present
12/02/2016	Present	Present	Leave of absence	Present

8. General Body Meetings

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

Name of Meeting	Date	Time	Venue
49 th Annual General Meeting	31 st July, 2013	3.00 p.m.	KSE Limited, Registered Office, Solvent Road, Irinjalakuda, Thrissur District, Kerala- 680121
50 th Annual General Meeting	25 th September, 2014	3.00 p.m.	
51 st Annual General Meeting	19 th September, 2015	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
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
51 st AGM	No special resolutions passed

No resolution was passed through Postal Ballot. For the 50th and 51st Annual General Meeting, in terms of Clause 35B of the Listing Agreement, in addition to the facility of remote 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 52nd Annual General Meeting, in addition to the facility of remote e-voting, facility to cast vote by ballot paper also will be provided for all resolutions to be passed in the meeting. The procedure for remote e-voting and voting by ballot paper at the venue of the meeting has been given in detail in the notes forming part of Notice to the 52nd Annual General Meeting attached to the Annual Report for the year 2015-16. No resolution is proposed to be conducted through postal ballot in the ensuing 52nd Annual General Meeting.

9. Means of Communication

Regularly the Company is publishing extracts of quarterly/half yearly/nine months unaudited results and audited annual financial results and the notices of Board meetings 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. The aforesaid results are also announced to the Stock Exchange as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. The Annual Report is also posted in Company's website "www.kselimited.com" and can be downloaded.

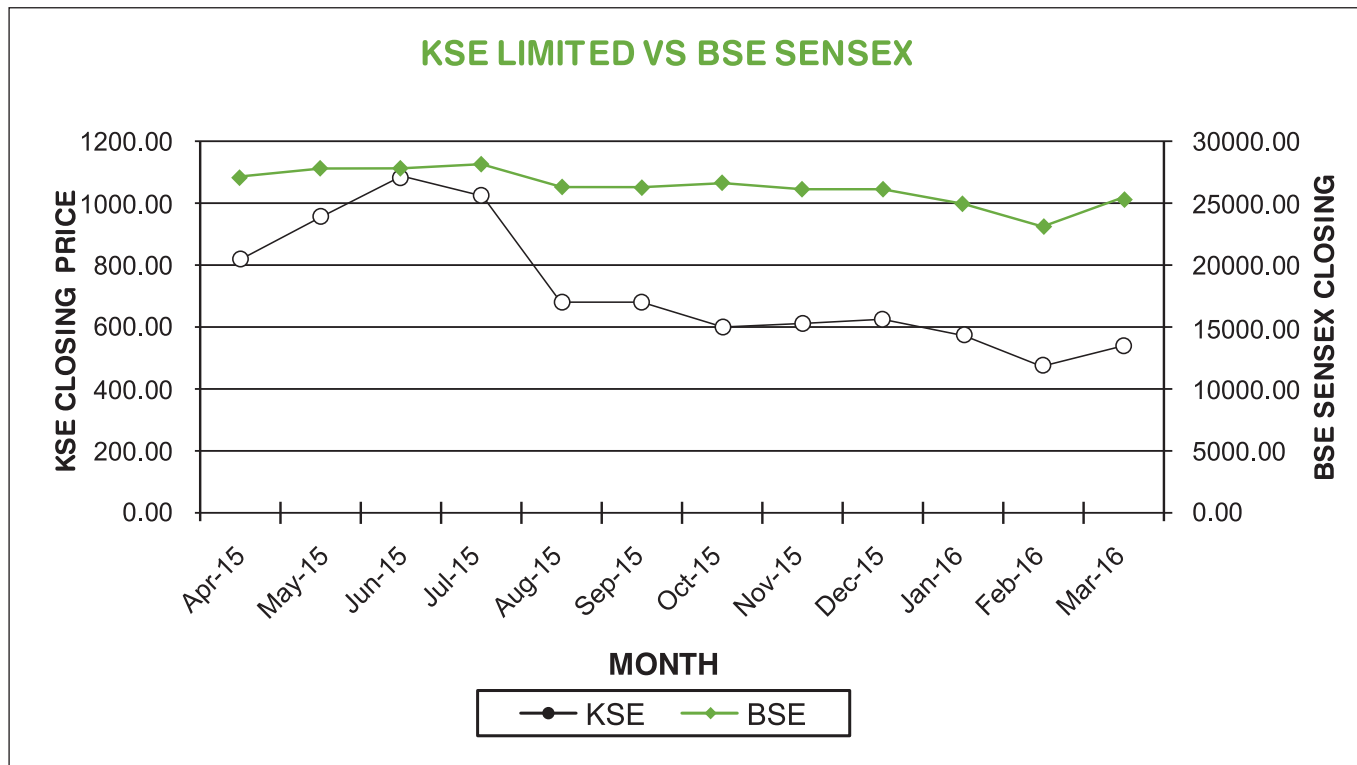
Your Company provides necessary information to the Stock Exchange in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules and regulations issued by the Securities Exchange Board of India. All disclosures made to the stock exchanges are also available on the Company's website www.kselimited.com.

10. General Shareholder Information

- a) AGM - Date, time and venue
Wednesday, 31st August, 2016 at 3.00 p.m.
KSE Limited, Registered Office,
Solvent Road, Irinjalakuda - 680 121.
- b) Financial Year
1st April 2016 to 31st March 2017
- Unaudited Results for First Quarter
On or before 14th August, 2016
- Unaudited Results for Second Quarter
On or before 14th November, 2016
- Unaudited Results for Third Quarter
On or before 14th February, 2017
- Audited Results for year ending 31st March 2017
On or before 30th May, 2017
- c) Dividend Payment Date
Dividend of ₹ 20 per equity share of ₹ 10 each has been recommended for the year 2015-16 by the Board of Directors at its meeting held on 30th May, 2016 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be paid/ dispatched after 31st August, 2016 as follows:
1. in respect of the shares in physical form, to those Members, whose names appear in the Register of Members as on 31st August, 2016, after giving effect to all valid share transfers in physical form lodged on or before 25th August, 2016.
 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 24th August, 2016.
- Book Closure Date 25th August, 2016 to 31st August, 2016
(both days inclusive)
- d) Listing on Stock Exchanges
The Company's shares are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The annual listing fee is paid upto date up to the year 2016-17.
- e) Stock Code
BSE Limited 519421
- f) 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, 2016 are given below:

Month	High (₹)	Low (₹)	Volume (nos.)
April, 2015	956.00	701.00	49447
May, 2015	1033.25	790.00	31647
June, 2015	1298.00	1006.25	77468
July, 2015	1175.00	990.00	32852
August, 2015	1246.75	665.25	42058
September, 2015	727.00	624.50	18235
October, 2015	706.25	584.25	27212
November, 2015	648.25	476.25	64282
December, 2015	735.00	590.00	33149
January, 2016	649.00	550.25	13623
February, 2016	603.25	429.75	50846
March, 2016	600.00	489.90	15768

- g) The Chart below shows the performance of your Company's share price in comparison with BSE Sensex during the financial year 2015-16 based on month end closing:



- h) Trading
- i) Registrars and Share Transfer Agents
(both for physical and demat segment)

At no point of time the trading of equity shares of KSE Limited was suspended by the Stock Exchange.

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

- j) Share Transfer System

Demat facility has been provided for the equity shares of the Company and are the shares 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 their above address.

- k) Distribution of share holding

No. of shares held	As at 31 st March, 2016			
	No. of Folios	%	No. of Shares	%
1 to 500	4997	88.98	534578	16.71
501 to 1000	228	4.06	173653	5.43
1001 to 5000	290	5.16	611352	19.10
5001 to 10000	43	0.77	288237	9.01
10001 and above	58	1.03	1592180	49.75
Total	5616	100.00	3200000	100.00

l) Dematerialisation of shares and liquidity

The Company has arrangements 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 31.03.2016 are the following:

DEPOSITORY	As at 31 st March, 2016	
	No. of Shares	%
NSDL	18,73,594	58.55
CDSL	4,81,721	15.05
Total Demat	23,55,315	73.60

m) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity

Nil

n) Commodity price risk or foreign exchange risk and hedging activities

Nil

o) Plant Locations

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.

p) Address for correspondence

Chief Financial Officer and Company Secretary
KSE Limited
CIN L15331KL1963PLC002028
Irinjalakuda - 680 121, Kerala.
Phone : 0480 2825476; 2825576 (Extn: 212)
Email : investor.relations@kselimited.com

11. Other Disclosures

- a) **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 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 with related parties were fair, transparent and at arm's length. 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.
- b) **Details of Non-compliance:** No penalty or strictures were imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years.
- c) **Whistle Blower Policy:** In terms of Sub-sections (9) and (10) of Section 177 of the Companies Act, 2013 and in terms of Regulation 22 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, 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 and no personnel of the Company has been denied access to the Audit Committee. 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.

- d) **Compliance of mandatory and non-mandatory requirements:** The Company has implemented all applicable mandatory requirements specified under SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015. The status of compliance of discretionary requirements specified in Part E of Schedule II of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 is as under:

The Company has complied with the non-mandatory requirement as regards unqualified financial statements and separate post of Chairman and Managing Director. The Board of Directors is having a non-executive Chairperson. An office is made available for his use, if required by him, during his visits to the Company for attending meetings. Also all the internal audit reports are placed before and considered by the Audit Committee. The Company has not initiated with the non-mandatory requirement of sending half-yearly declaration of financial performance including summary of the significant events in the last six-months as otherwise the Company is communicating with the shareholders as explained under “means of communication”.

- e) **Material Subsidiaries:** The Company do not have any subsidiary.
- f) **Weblink for Policy on related party transactions:** 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.
- g) **Commodity price risks and Commodity hedging activity:** The main inputs for the manufacture of ready-mixed cattle feed are agricultural commodities. Agricultural markets, which had been relatively stable, are now tending to behave more erratically. The milk price has been indirectly controlled by the Government, and this in turn, at times, puts an hindrance to pass on the rising commodity prices to the farmers over the short term, in the best interest of the farming community, and in the long term interest of the Company as well. Another commodity price risk emerges from foreign exchange rate risk, in case of import of ingredients. For this we employ, proper forward cover, if required, as per the situation then prevailing. Our primary objective in commodity hedging is to minimize price risk and earnings volatility, stabilize procurement costs and sales prices, and get the best margins. To combat the commodity price risks, we are employing several methods such as seasonal buying and storing, economic buying quantity, payments for supplies on delivery, sourcing of material from the origin, multiplicity of sources, etc. In cases, despite our best efforts, the commodity prices are moving erratic, suitable adjustments in the prices of finished products will be resorted to. The Company is not resorting to any forwards or futures or any similar commodity hedging instruments or any commodity options or commodity swaps to cover up the commodity price risks.

12. Compliance of corporate governance : All the requirements of corporate governance report have been complied by the Company, as far as applicable to the Company. Further, all the requirements of corporate governance specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied, so far as the same are applicable to the Company.

Irinjalakuda
May 30, 2016

By Order of the Board
Sd/-

Dr. Jose Paul Thaliyath
(DIN : 01773031)
Chairman

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March, 2016.

Irinjalakuda
May 30, 2016

By Order of the Board
Sd/-

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

After an extremely favourable year 2014-15, we had experienced abnormal increase in feed ingredient prices coupled with fall in the market price of coconut oil in year 2015-16. In the Animal feed division, the cost of ingredients for animal feed was inflationary during the year 2015-16 and this required frequent corrections in the selling price of feed. However, the demand was stable and the supply was normal and matched our requirements. Prudent purchase policy, fine-tuning of selling price, trimming of overheads, etc. helped us to recover the cost and avoid losses.

In the Oil cake processing division, the price of coconut oil during 2015-16 had a free fall from around ₹ 135/kg. in the beginning of the year till it touched ₹ 75/kg. and it remains at that level. The downside of coconut oil price resulted in contraction of our margins, compared to that of previous year. We could import sizable quantity of copra cake at competitive rates during the year under report. The local arrival of copra cake was also good, and this helped us to retain the local price of copra cake at reasonable levels.

In Dairy division we could improve the margins on milk but had a slight fall in the sales volume of ice cream followed by considered decision to cut short the sale of unprofitable varieties. We are taking all efforts to improve the sales volume of ice cream and thereby improve the capacity utilisation. It is hopefully expected that shortly both Kerala and Tamil Nadu Governments may take steps to increase the selling price of milk by the respective Milk Unions. It is high time 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 43 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 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 (2) probable entry of multinational entities (3) jacking up of fuel prices 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, to pass on the 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

In year 2015-16 however, we could marginally improve the volume of sale of feed from 4.40 lakhs tons in the previous year to 4.49 lakhs tons. Due to steep increase in ingredient cost, the margin for the reporting year was badly affected. Within these adverse situations, the Animal Feed Segment could report a profit of ₹ 212.63 lakhs for the year 2015-16 compared to a profit of ₹ 2580.57 lakhs in the preceding year.

In the Oil cake processing division, the processing volume improved from 68,500 tonnes in the previous year to 87,400 tonnes in the financial year 2015-16. We could import sizable quantity of copra cake during year 2015-16 at very reasonable cost. The local supply of cake was also reasonably available and the price thereto was steady and normal. However, the price of coconut oil plummeted from ₹ 135/kg. in the beginning of the year to an unimaginable level of around ₹ 75/kg., especially in the last quarter of year 2015-16. Thus in this Segment, even though the quantity of copra cake processed had gone up by 27%, it could generate only a profit of ₹ 951.86 lakhs compared to a profit of ₹ 2956.03 lakhs in the previous year.

Dairy division reported a profit of ₹ 161.68 lakhs compared to a profit of ₹ 19.98 lakhs in the previous year. The volume of sale of ice cream is slightly less at 973 kl. compared to 1088 kl. in the previous year. The margin on sale of milk was better and this led to improvement in profits of the Dairy Division. We are giving utmost attention for improving the utilisation of capacities in Konikkara, Thalayuthu and Vedagiri ice cream units.

4. Outlook

Starting January, 2016, the feed ingredient prices are steadily going up. We are making timely revisions in the selling price according to the ingredient prices, but there is a limit beyond which we may not be able to pass on the whole burden in the long term interest of the farmers as well as that of our Company. The selling price of coconut oil is still remaining low. The price of imports of copra cake also is firming up, which may put pressure on us to depend wholly in the local market, which is very sensitive as the local availability is limited. Giving consideration to all these, still we reasonably expected that the Animal feed division and the Oil cake processing division will perform satisfactorily in year 2016-17 also. The early summer rain and prediction of above-average monsoon rain is very encouraging and gives us hope for a better performance in year 2016-17. We are hopeful of imminent correction in milk prices by both Kerala and Tamil Nadu Governments, which will make cattle farming more economical, and thereby improve the demand for our feed. The Dairy division is expected to perform better in the year 2016-17 as the margin on milk is improving. We are taking all efforts to improve the volume of sale of ice cream in Konikkara, Thalayuthu and Vedagiri ice cream units. Once we are able to improve the volume, the Dairy division will generate more revenue.

5. Risks and Concerns

We are mainly depending on materials from northern States moved by rail for manufacturing the Animal Feed. Followed with the decontrol in diesel price, railway freight and lorry freight may go up in tune with diesel price. This may further push up the prices of all major ingredients, and it may affect the margins. We are suitably adjusting 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. The international price of copra cake imports has firmed up due to fall in supply and this will be prohibitive for us to import copra cake to meet our additional demands and also to balance the local price. It will be encouraging if the price of coconut oil move in the immediate future from the present levels to above ₹ 100/kg. The Dairy division is also expected to perform well by increased volume of ice cream sales with improved margin. No other risks or concerns are perceived by the management for the time being.

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 2.80 % compared to immediately preceding year. The increase in turnover is despite the fall in the selling rate of coconut oil. We could process 87,400 tons of copra cake in year 2015-16 as against 68,500 tons of copra cake in the previous year. The after tax profits of the Company is ₹ 758.07 lakhs as against ₹ 4,363.41 lakhs in the year 2014-15 (including the profit on sales of landed properties at Mysore of ₹ 1,045.71 lakhs).

The sale of cattle feed, in quantity terms, improved by 2.09 % compared to previous year and the animal feed division generated a profit of ₹ 212.63 lakhs compared to previous year figure of ₹ 2,580.57 lakhs. The selling price of coconut oil had a steady decline from ₹ 135 /kg. in the year beginning to around ₹ 75/kg. in the last quarter of 2015-16. At the same time the procurement price of coconut oil cake remained more or less at the same levels. Against all the odds, the Oil cake processing division could make a profit of ₹ 951.86 lakhs as against a profit of ₹ 2,956.03 lakhs in the previous year. The volume of sales of ice cream had a slight dip from 1088 kl. in the previous year to 973 kl. in year 2015-16 as a result of a considered decision to cut short the sale of uneconomic bulk varieties of ice cream. The availability of margin in milk sales helped to improve the profit of Dairy division to ₹ 161.68 lakhs compared to previous year profit of ₹ 19.98 lakhs. We are taking all efforts to improve the production and sale volume of ice cream.

8. Industrial Relation

The Company has 889 employees on its rolls as on 31.3.2016. 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 2015-16. The long term settlements for a period of three years have been signed with the employees of Swaminathapuram and Vedagiri Units effective from 1st May, 2014 and from 1st April, 2014 respectively. 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.

By Order of the Board

Sd/-

Dr. Jose Paul Thaliyath
(DIN : 01773031)

Chairman

Irinjalakuda
May 30, 2016

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 ("the Company") for the year ended 31st March 2016, as stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the Stock Exchange for the period 1st April 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15 (2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The Compliance of the conditions of Corporate Governance is primarily the responsibility of the management. Our examination was 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 Listing Agreement / Listing Regulations, as applicable. 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 the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

For **VARMA & VARMA**
(Firm No. 004532 S)

Sd/-

(C. Pankajakshan, M. No. 12948)

Partner

Chartered Accountants

Thrissur
May 30, 2016

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, 2016, 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. 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, 2016, 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, 2016 ("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" 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- g. 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, 2016

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

ANNEXURE "A" 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 discrepancies has been noticed on such verification.
 - (c) According to the information and explanations given to us, the records of the company examined by us and the confirmation from financial lenders in respect of title deeds deposited with them and based on the details of land and buildings furnished to us by the company, the title deeds of immovable properties are held in the name of the Company.
2. We are informed that the physical verification of inventory has been conducted at reasonable intervals by the management and that no material discrepancies were noticed on such verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. The company has not made any investment or granted any loans or given any security or given any guarantee for which the provisions of sections 185 and 186 of the Companies Act, 2013 are applicable.
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, 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 2016 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

8. 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 loans or borrowings to the banks and financial institutions. The company has neither taken any loans or borrowings from government nor has any dues to debenture holders.
9. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The company has not availed any term loans during the year.
10. 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 by the company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
11. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. Since the Company is not a Nidhi Company, the relative reporting requirements in this regard are not applicable.
13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in Note 29.9 to the financial statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. Motor car used by Mr. P.K. Varghese for his official purpose as Executive Director of the Company was transferred at a written down value of ₹ 6.10 lakhs to his wife, Mrs. Marykutty Varghese (Director from 01.10.2015), subsequent to his death on 12.07.2015 as a reward to him, which is in the nature of a non cash transaction. Provisions of section 192 of the Companies Act, 2013 have been complied with by the company in this regard.
16. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

For **VARMA & VARMA**

(Firm No. 004532 S)

Sd/-

(C. Pankajakshan, M. No. 12948)

Partner

Chartered Accountants

Thrissur
May 30, 2016

ANNEXURE “B” REFERRED TO IN PARAGRAPH 2 (f) OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of KSE Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Thrissur
May 30, 2016

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

BALANCE SHEET AS AT 31ST MARCH 2016

	Note No.	As at 31.03.2016 ₹ in lakhs		As at 31.03.2015 ₹ in lakhs	
I EQUITY AND LIABILITIES					
1. Shareholders' funds					
a) Share Capital	2	320.00		320.00	
b) Reserves and Surplus	3	6,848.85	7,168.85	6,861.07	7,181.07
2. Non-current liabilities					
a) Long-term borrowings	4	617.31		528.48	
b) Long-term provisions	5	47.25	664.56	54.58	583.06
3. Current liabilities					
a) Short-term borrowings	6	243.87		831.60	
b) Trade payables	7	802.10		1,633.16	
c) Other current liabilities	8	1,839.97		2,550.05	
d) Short-term provisions	9	839.44	3,725.38	1,023.60	6,038.41
TOTAL			11,558.79		13,802.54
II ASSETS					
1. Non-current assets					
a) Fixed Assets					
i) Tangible assets	10	2,497.32		2,718.54	
ii) Intangible assets	11	1.68		15.66	
iii) Capital work-in-progress	12	28.09	2,527.09	11.11	2,745.31
b) Non-current Investments	13		2.50		2.50
c) Deferred tax asset	14		73.88		24.82
d) Long-term loans and advances	15		153.13		112.37
2. Current assets					
a) Inventories	16	7,299.72		6,600.66	
b) Trade receivables	17	8.92		28.71	
c) Cash and cash equivalents	18	1,043.97		3,777.75	
d) Short-term loans and advances	19	437.76		496.29	
e) Other current assets	20	11.82	8,802.19	14.13	10,917.54
TOTAL			11,558.79		13,802.54
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, 2016

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

A.P. George,
Executive Director (DIN : 00106808) Sd/-

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

John Francis K.
Director (DIN : 00107016) 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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Note No.	Year ended 31.03.2016 ₹ in lakhs	Year ended 31.03.2015 ₹ in lakhs
REVENUE			
Revenue from operations			
Sale of products		92,511.65	89,998.16
Less : Excise duty		18.19	28.11
Other income	21	229.99	163.11
Total Revenue		92,723.45	90,133.16
EXPENSES			
Cost of Materials consumed	22	80,320.38	74,076.96
Changes in inventories of finished goods	23	(170.18)	(57.69)
Employee benefits expense	24	3,695.93	3,383.04
Finance costs	25	131.34	194.49
Depreciation and amortisation expense	26	426.88	636.19
Other expenses	27	7,093.02	6,556.95
Total expenses		91,497.37	84,789.94
Profit before exceptional and extraordinary items and tax		1,226.08	5,343.22
Exceptional item - See Note 29.5		—	1,045.71
Profit before extraordinary items and tax		1,226.08	6,388.93
Extraordinary items		—	—
Profit before tax		1,226.08	6,388.93
Tax Expenses			
Current tax		540.00	2,150.00
Relating to earlier years (net)		(22.93)	(5.19)
Deferred tax		(49.06)	(119.29)
Profit for the year		758.07	4,363.41
Basic and diluted earnings per equity share (₹)	28	23.69	136.36
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, 2016

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

A.P. George,
Executive Director (DIN : 00106808) Sd/-

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

John Francis K.
Director (DIN : 00107016) 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, 2016

Particulars	Year ended 31.03.2016 ₹ in lakhs	Year ended 31.03.2015 ₹ in lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	1,226.08	6,388.93
Adjustments for:		
Depreciation and amortisation	426.88	636.19
Finance costs	131.34	194.49
Interest income from banks	(13.16)	(13.62)
Provision for diminution in value of non-current investment	—	5.00
Dividend income	(1.23)	(71.38)
Exceptional item - profit on sale of land	—	(1,045.71)
Car transferred without consideration in cash - See Note No. 29.10	6.10	—
Profit on sale of current investments	(120.45)	—
(Profit) / Loss on sale of fixed assets	(27.20)	3.62
Operating profit before working capital changes	1628.36	6,097.52
Adjustments for:		
Inventories	(699.06)	(1,630.76)
Trade receivables, loans & advances and other current assets	36.76	(39.39)
Trade payables, other current liabilities and provisions	(832.94)	1,095.80
Cash generated from operations	133.12	5,523.17
Income-tax paid	701.23	1,920.52
Net cash from / (used in) operating activities (a)	(568.11)	3,602.65
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(225.21)	(155.99)
Sale of fixed assets	37.65	1,291.20
Purchase of investments	(6,303.66)	(5,578.77)
Redemption of investments	6424.11	5,578.77
Interest income from banks	16.27	6.31
Dividend income	1.23	71.38
Net cash from / (used in) investing activities (b)	(49.61)	1,212.90
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds /(repayment) of short-term bank borrowings	(576.72)	109.41
Acceptance of public deposits	382.13	298.10
Repayment of public deposits	(401.53)	(338.77)
Finance costs	(131.34)	(194.49)
Dividends paid (including dividend distribution tax)	(1,388.60)	(1,226.46)
Net cash used in financing activities (c)	(2,116.06)	(1,352.21)
D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a) + (b) + (c)	(2,733.78)	3,463.34
Cash and cash equivalents at the beginning of the year	3,777.75	314.41
Cash and cash equivalents at the close of the year - Refer Note No. 18	1,043.97	3,777.75
E NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	(2,733.78)	3,463.34

Significant accounting policies - See Note No. 1

Note : Cash and cash equivalents include ₹ 95.87 lakhs (Previous year ₹ 714.18 lakhs) under unpaid dividend account with Banks, ₹ 110 lakhs (Previous year ₹ 110 lakhs) under deposit repayment reserve account and ₹ 4.74 lakhs (Previous year ₹ 7.96 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/-

A.P. George,
Executive Director (DIN : 00106808)

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

May 30, 2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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:

(a) Raw materials	- First In First Out (FIFO)
(b) Packing materials	- First In First Out (FIFO)
(c) Stores & spares and consumables:	
i. Furnace Oil, Diesel and Boiler Fuel	- First In First Out (FIFO)
ii. Others	- At weighted average cost
- 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 31.03.2016		As at 31.03.2015	
		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 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, 2016 amounts to ₹ 770.29 lakhs, including dividend distribution tax of ₹ 130.29 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 31.03.2016		As at 31.03.2015	
	Number of shares	% of holding	Number of shares	% of holding
PJD Properties and Investments P. Ltd.	5,45,031	17.03%	5,45,031	17.03%

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 31.03.2016 ₹ in lakhs		As at 31.03.2015 ₹ 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	5,500.00		3,800.00	
Add : Transfer from Surplus	100.00	5,600.00	1,700.00	5,500.00
Gratuity Reserve		154.97		154.97
Surplus				
Balance at the beginning of the year	962.68		339.70	
Add : Profit for the year	758.07		4,363.41	
Less : Adjustments relating to fixed assets	—		(118.20)	
Less : Transfer to General Reserve	(100.00)		(1,700.00)	
Less : Interim Dividend	—		(960.00)	
Less : Proposed Dividend	(640.00)		(640.00)	
Less : Dividend distribution tax	(130.29)	850.46	(322.23)	962.68
Total		6,848.85		6,861.07

Note 3.1 The Board of directors has recommended a final dividend of ₹ 20 per share on equity share of ₹ 10 each.

4. LONG TERM BORROWINGS

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Public Deposits - Unsecured	617.31	528.48

Note 4.1 See Note 8 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 31.03.2016 ₹ in lakhs	Balance as on 31.03.2015 ₹ in lakhs
(a) One year	8.00 % p.a.	3.47	—
(b) One year	9.00 % p.a.	4.34	18.82
(c) Two years	9.00 % p.a.	0.10	—
(d) Two years	10.00 % p.a.	20.31	32.30
(e) Three years	10.00 % p.a.	169.63	—
(f) Three years	11.00 % p.a.	706.08	872.21
Total		903.93	923.33

Note 4.3 Public Deposits include deposits accepted from Directors ₹ 2.23 lakhs (Previous year ₹ 1.48 lakhs) on the same terms and conditions as applicable to other depositors.

5. LONG TERM PROVISIONS

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Provision for employee benefits - Gratuity (gross - undiscounted) - See Note 1. xi	47.25	54.58

6. SHORT TERM BORROWINGS

Particulars	As at 31.03.2016 ₹ in lakhs		As at 31.03.2015 ₹ in lakhs	
Loans repayable on demand from Banks - Secured				
- Cash credit	236.06		212.78	
- Short term loan	—	236.06	600.00	812.78
Public Deposits - Unsecured		7.81		18.82
Total		243.87		831.60

Note 6.1 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 6.2 See Note 4.2 for rate of interest and terms of repayment of public deposits.

7. TRADE PAYABLES

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Micro, Small and Medium Enterprises	2.70	1.20
Others	799.40	1,631.96
Total	802.10	1,633.16

Note 7.1 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 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
(i) Principal amount due and remaining unpaid to any supplier as at the end of each accounting year	2.70	1.20
(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	—	—

8. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Current Maturities of long-term debt		
- Public Deposits - Unsecured	278.81	376.03
Interest accrued but not due on public deposits	95.12	120.87
Unpaid dividend	95.87	714.18
Unpaid matured deposits and interest accrued thereon	0.53	0.21
Security deposits	101.24	100.17
Advance from customers	318.52	322.97
Employee benefits expense payable	514.99	572.52
Creditors for expenses	297.91	247.71
Advance received against sale of property	2.50	—
Other liabilities	134.48	95.39
Total	1,839.97	2,550.05

Note 8.1 Public Deposits include deposits accepted from Directors ₹ 1.00 lakh (Previous year ₹ 2.96 lakhs) on the same terms and conditions as applicable to other depositors.

Note 8.2 Interest accrued but not due on public deposits includes ₹ 0.09 lakh (Previous year ₹ 0.37 lakh) due to Directors.

Note 8.3 See Note 4.2 for rate of interest and terms of repayment of public deposits.

Note 8.4 Unpaid dividend as at 31.03.2015 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.

9. SHORT TERM PROVISIONS

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Proposed Dividend	640.00	640.00
Dividend distribution tax	130.29	130.29
Taxation (net of advance tax)	69.15	253.31
Total	839.44	1,023.60

10. TANGIBLE ASSETS

₹ in lakhs

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Cost as at 01.04.2015	Additions	Sales/ Adjustments	Cost as at 31.03.2016	Up to 01.04.2015	For the year	Transitional Adjustment	Sales/ Adjustments	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land and Land development	850.58 1,046.85	— 19.54	— 215.81	850.58 850.58	— —	— —	— —	— —	— —	850.58 850.58	850.58 1,046.85
Leasehold Land	105.60 105.60	— —	— —	105.60 105.60	12.92 11.72	1.20 1.20	— —	— —	14.12 12.92	91.48 92.68	92.68 93.88
Buildings	2,559.99 2,586.77	21.85 22.90	— 49.68	2,581.84 2,559.99	1,629.47 1,279.58	139.65 230.54	— 140.56	— 21.21	1,769.12 1,629.47	812.72 930.52	930.52 1,307.19
Plant and Equipments	3,931.81 3,865.18	41.90 91.61	9.87 24.98	3,963.84 3,931.81	3,172.91 2,843.35	213.36 329.30	— 20.41	9.22 20.15	3,377.05 3,172.91	586.79 758.90	758.90 1,021.83
Furniture and Fixtures	101.52 100.07	2.43 1.45	0.74 —	103.21 101.52	95.12 88.07	2.57 3.75	— 3.30	0.74 —	96.95 95.12	6.26 6.40	6.40 12.00
Vehicles	195.41 166.98	135.81 28.59	114.73 0.16	216.49 195.41	127.08 94.08	47.83 33.15	— 0.01	98.84 0.16	76.07 127.08	140.42 68.33	68.33 72.90
Office Equipments	149.56 142.54	6.24 7.51	1.50 0.49	154.30 149.56	138.43 99.87	8.29 24.27	— 14.78	1.49 0.49	145.23 138.43	9.07 11.13	11.13 42.67
Total Tangible Assets	7,894.47 8,013.99	208.23 171.60	126.84 291.12	7,975.86 7,894.47	5,175.93 4,416.67	412.90 622.21	— 179.06	110.29 42.01	5,478.54 5,175.93	2,497.32 2,718.54	2,718.54 3,597.32

Note 10.1 In terms of Section 123 and Schedule II of the Companies Act 2013 (the Act) applicable with effect from 01.04.2014, depreciation has been provided on the basis of the useful lives of assets as prescribed in Schedule II of the Act.

Note 10.2 Company has adopted residual value less than 5 % of the original cost for some items of the fixed assets, based on technical advice.

11. INTANGIBLE ASSETS

₹ in lakhs

	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost as at 01.04.2015	Additions	Sales/ Adjustments	Cost as at 31.03.2016	Up to 01.04.2015	For the year	Sales/ Adjustments	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
Softwares	69.93 <i>69.93</i>	— —	— —	69.93 <i>69.93</i>	54.27 <i>40.29</i>	13.98 <i>13.98</i>	— —	68.25 <i>54.27</i>	1.68 <i>15.66</i>	15.66 <i>29.64</i>

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

12. CAPITAL WORK IN PROGRESS

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Buildings	0.76	6.43
Plant and Equipments	27.33	4.68
Total	28.09	11.11

13. NON-CURRENT INVESTMENTS

Particulars	Face value each ₹	As at 31.03.2016		As at 31.03.2015	
		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)		(5.00)
d) Coconut Oil & Copra Producers' Co-Op. Society Ltd.	100	1	0.00	1	0.00
Total			2.50		2.50

See Note 1 (v) for method of valuation of investments.

14. DEFERRED TAX ASSET

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Deferred tax asset on account of		
- accumulated depreciation difference	54.88	3.29
- Provision for employee benefits	16.66	19.19
- Others	2.34	2.34
Deferred tax asset	73.88	24.82

15. LONG-TERM LOANS AND ADVANCES

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Unsecured - Considered good		
Capital Advances	17.98	—
Security Deposits	96.62	90.14
Other Loans and Advances - Loans to Employees	38.53	22.23
Total	153.13	112.37

16. INVENTORIES

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Raw materials	5,503.40	5,023.66
Finished goods	1,177.80	1,007.62
Packing materials	300.06	257.11
Stores & spares and consumables	318.46	312.27
Total	7,299.72	6,600.66

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

17. TRADE RECEIVABLES

Particulars	As at 31.03.2016 ₹ in lakhs		As at 31.03.2015 ₹ in lakhs	
(i) Considered good				
Debts outstanding for a period exceeding 6 months from the date they are due for payment				
Secured	1.60		2.05	
Unsecured	0.99	2.59	0.80	2.85
Other debts				
Secured	2.42		5.93	
Unsecured	3.91	6.33	19.93	25.86
(ii) Considered doubtful				
Debts outstanding for a period exceeding 6 months from the date they are due for payment- unsecured	1.59		1.59	
Less: Provision for doubtful debts	(1.59)	—	(1.59)	—
Total		8.92		28.71

18. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Balance with Banks	987.80	3,604.53
Cheques/drafts on hand	18.57	113.09
Cash on hand	37.56	60.07
Stamps on hand	0.04	0.06
Total	1,043.97	3,777.75

Note 18.1 Balance with banks include restricted bank balances of ₹ 210.61 lakhs (Previous year ₹ 832.14 lakhs) and time deposit with banks with a maturity of more than 12 months ₹ 1.19 lakhs (Previous year ₹ 0.78 lakh). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees ₹ 4.74 lakhs (Previous year ₹ 7.96 lakhs) and earmarked bank balances for (1) unpaid dividends ₹ 95.87 lakhs (Previous year ₹ 714.18 lakhs) and (2) deposit repayment reserve account ₹ 110.00 lakhs (Previous year ₹ 110.00 lakhs).

19. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2016 ₹ in lakhs		As at 31.03.2015 ₹ in lakhs	
Advances recoverable in cash or in kind or for value to be received				
(a) Unsecured - Considered Good				
- Prepaid Expenses	206.88		276.05	
- Advances to Employees	114.01		99.30	
- Balance with government authorities	21.21		21.21	
- Other Advances	95.66	437.76	99.73	496.29
(b) Unsecured - Considered Doubtful	5.18		5.18	
Less : Provision for doubtful advances	(5.18)	—	(5.18)	—
Total		437.76		496.29

20. OTHER CURRENT ASSETS

Particulars	As at 31.03.2016 ₹ in lakhs	As at 31.03.2015 ₹ in lakhs
Unsecured - considered good		
Interest accrued on bank deposits	8.85	11.96
Interest accrued on loans to employees	2.94	1.89
Others	0.03	0.28
Total	11.82	14.13

21. OTHER INCOME

Particulars	Year ended 31.03.2016 ₹ in lakhs		Year ended 31.03.2015 ₹ in lakhs	
Interest income				
- from banks (TDS ₹ 0.35 lakh - Previous year ₹ 0.03 lakh)	13.16		13.62	
- from others (TDS ₹ 0.62 lakh - Previous year ₹ 0.69 lakh)	18.81	31.97	23.01	36.63
Dividend income from current investments		1.23		71.38
Insurance claim received		0.09		0.67
Excess provision for doubtful debts written back		—		1.20
Profit on sale of fixed assets (net)		27.20		—
Profit on sale of current investments		120.45		—
Miscellaneous income		49.05		53.23
Total		229.99		163.11

22. COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2016 ₹ in lakhs		Year ended 31.03.2015 ₹ in lakhs	
Opening Stock	5,023.66		3,440.64	
Purchases	80,800.12		75,659.98	
	85,823.78		79,100.62	
Less : Closing stock	5,503.40		5,023.66	
Cost of Material consumed	80,320.38		74,076.96	

23. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	Year ended 31.03.2016 ₹ in lakhs		Year ended 31.03.2015 ₹ in lakhs	
Opening Stock	1,007.62		949.93	
Closing Stock	1,177.80		1,007.62	
Change in inventories of finished goods	(170.18)		(57.69)	

24. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31.03.2016 ₹ in lakhs		Year ended 31.03.2015 ₹ in lakhs	
Remuneration and benefits to Employees and Directors				
Salary, wages, gratuity and bonus	3,015.48		2,754.00	
Contribution to Provident Fund	248.04		202.21	
Contribution to Employees' State Insurance Corporation	49.00		48.53	
Contribution to KSE Ltd. Employees' Group Gratuity Fund Trust	138.46		121.61	
Staff welfare expenses	244.95		256.69	
Total	3,695.93		3,383.04	

25. FINANCE COSTS

Particulars	Year ended 31.03.2016 ₹ in lakhs		Year ended 31.03.2015 ₹ in lakhs	
Interest Expenses				
- on Cash Credit	19.65		54.95	
- on Short term Rupee Loan	0.18		14.89	
- on Public Deposits	111.28		116.05	
- on Others	—	131.11	8.35	194.24
Other Borrowing Costs		0.23		0.25
Total		131.34		194.49

Note 25.1: Interest Expenses on Public Deposits include ₹ 0.45 lakh (Previous year ₹ 0.78 lakh) being interest paid on deposits accepted from Directors.

26. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31.03.2016 ₹ in lakhs	Year ended 31.03.2015 ₹ in lakhs
Tangible Assets	412.90	622.21
Intangible Assets	13.98	13.98
Total	426.88	636.19

27. OTHER EXPENSES

Particulars	Year ended 31.03.2016 ₹ in lakhs	Year ended 31.03.2015 ₹ in lakhs
Processing charges	1,422.96	1,180.77
Packing materials consumed	2,595.62	2,491.03
Power and fuel	1,361.26	1,308.73
Freight	368.16	346.80
Stores and spares consumed	452.90	433.16
Rent (See Note 29.6)	12.33	12.84
Rates and taxes	44.16	59.53
Repairs		
Plant and machinery	40.08	37.05
Building	15.59	38.78
Vehicles	12.60	14.35
Others	197.89	266.16
Travelling and conveyance	40.91	41.31
Advertisement and Sales promotion	157.91	148.47
Postage and telephone	23.54	28.62
Printing and stationery	22.59	21.07
Insurance	34.08	35.53
Sitting fees to Directors	16.15	12.61
Payments to Auditors and expenses		
For Audit	12.00	11.00
For Tax audit	0.70	0.60
For Sales-tax audit	1.00	0.90
For Taxation matters	0.30	0.20
For Limited Review	1.80	1.50
For Certification works	1.17	0.77
Travelling and out-of-pocket expenses	3.24	3.07
Service Tax on the above	2.12	22.33
Professional charges	30.38	42.07
Commission and Brokerage	0.24	0.72
Bank Charges	67.57	30.33
Loss on sale of fixed assets (net)	—	3.62
Loss on exchange rate fluctuation (net)	9.25	9.95
Corporate Social Responsibility Expenditure	55.83	30.85
Provision for diminution in value of non-current investment	—	5.00
General charges	88.69	79.57
Total	7,093.02	6,556.95

28. EARNINGS PER SHARE

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Profit for the year as per the statement of Profit and Loss (₹ in lakhs)	758.07	4,363.41
Number of Equity Shares	32,00,000	32,00,000
Basic and diluted earnings per share (₹)	23.69	136.36

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)

	2015-16 ₹ in lakhs	2014-15 ₹ 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	42.70
c) Other money for which the Company is contingently liable	—	—
	177.76	177.76
II. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account not provided for	44.79	2.33
(b) Uncalled liability on shares and other investments partly paid	—	—
(c) Letter of credit for import of raw materials	118.63	728.96
	163.42	731.29
TOTAL	341.18	909.05

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 an order demanding ₹ 1,11,780 as charges for additional connected load in Konikkara Dairy Unit of the company relating to the period from November, 2001 to July, 2002. This order 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 in that year.

29.6 **Lease rental payments**

	2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
(a) Recognised in statement of profit and loss	12.33	12.84
(b) Future minimum lease rentals payable as per lease agreement at the year end		
(i) Not later than one year	0.22	0.90
(ii) Later than one year and not later than five years	13.00	—
Total	13.22	0.90
(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:

	2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
Employer's Contribution to Provident Fund	248.04	202.21
Employer's Contribution to Employee's State Insurance Corporation	49.00	48.53

II Defined Benefit Plan / Other Long Term Benefits -

	Gratuity (Funded)		Compensated absences (Funded)	
	2015-16	2014-15	2015-16	2014-15
(i) Actuarial Assumptions				
Discount Rate (per annum)	8%	8%	8%	8%
Expected Rate of return on plan assets (per annum)	8%	8%	8%	8%
Compensation escalation Rate (per annum)	8%	7%	8%	7%
Mortality Rate	Indian Lives Mortality (1994-96) Ultimate Table			
	2015-16	2014-15	2015-16	2014-15
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(ii) Reconciliation of present value of obligations				
Present value of obligation at the beginning of the year	1,077.73	948.83	104.83	91.04
Current service cost	68.94	58.66	117.42	93.62
Interest cost	88.98	78.25	13.04	11.03
Actuarial (gain) / loss	87.65	84.43	(67.87)	(48.76)
Benefits paid	(78.77)	(92.44)	(41.58)	(42.10)
Present value of obligations at the end of the year	1,244.53	1,077.73	125.84	104.83
	₹ 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	1,310.29	1,138.19	125.60	107.20
Expected return on plan assets	104.82	91.05	10.05	8.57
Actuarial gain / (loss)	2.29	8.68	0.51	3.50
Contributions	67.62	164.81	1.07	6.34
Benefits paid	(78.77)	(92.44)	(0.07)	(0.01)
Fair value of plan assets at the end of the year	1,406.25	1,310.29	137.16	125.60
(iv) Description of plan assets - Insurer managed assets	1,406.25	1,310.29	137.16	125.60

		Gratuity (Funded)		Compensated absences (Funded)	
		2015-16	2014-15	2015-16	2014-15
(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	1,244.53	1,077.73	125.84	104.83
	Fair value of plan assets at the end of the year	1,406.25	1,310.29	137.16	125.60
	Net present value of funded obligation recognised as (asset) / liability in the balance sheet	(161.72)	(232.56)	(11.32)	(20.77)
(vi)	Expenses recognised in the statement of profit and loss				
	Current service cost	68.94	58.66	117.42	93.62
	Interest cost	88.98	78.25	13.04	11.03
	Expected return on plan assets	(104.82)	(91.05)	(10.05)	(8.57)
	Actuarial (gain) / loss recognised in the period	85.36	75.75	(68.39)	(52.26)
	Total expenses recognised in the statement of profit and loss for the year	138.46	121.61	52.02	43.82
	Actual return of plan assets	107.11	99.73	10.56	12.07
(vii)	Non-current and current value of obligation				
	Non-current	1,156.95	986.32	113.11	92.24
	Current	87.58	91.41	12.73	12.59
	Total value of obligation	1,244.53	1,077.73	125.84	104.83

	31.03.2016 ₹ in lakhs	31.03.2015 ₹ in lakhs	31.03.2014 ₹ in lakhs	31.03.2013 ₹ in lakhs	31.03.2012 ₹ in lakhs
(viii) Amount recognised in current year and previous four years					
Gratuity (Funded)					
Present value of defined benefit obligations	1,244.53	1,077.73	948.83	788.45	713.94
Fair value of plan assets	1,406.25	1,310.29	1,138.19	895.12	740.93
Funded status - (asset) / liability	(161.72)	(232.56)	(189.36)	(106.67)	(26.99)
Actuarial (gain) / loss on plan obligations	87.65	84.43	79.86	(3.06)	127.00
Actuarial gain / (loss) on plan assets	2.29	8.68	5.25	8.41	4.38
Compensated absences (Funded)					
Present value of defined benefit obligations	125.84	104.83	91.04	64.98	63.01
Fair value of plan assets	137.16	125.60	107.20	100.48	82.11
Funded status - (asset) / liability	(11.32)	(20.77)	(16.16)	(35.50)	(19.10)
Actuarial (gain) / loss on plan obligations	(67.87)	(48.76)	(40.56)	(55.54)	(29.78)
Actuarial gain / (loss) on plan assets	0.51	3.50	(1.26)	1.07	0.82

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	2015-16	79,136.60	21,724.13	2,473.08	103,333.81
		2014-15	74,261.89	21,519.02	2,518.51	98,299.42
	Less Inter-segment Revenue	2015-16	—	10,840.35	—	10,840.35
		2014-15	—	8,329.37	—	8,329.37
	Total Revenue	2015-16	79,136.60	10,883.78	2,473.08	92,493.46
		2014-15	74,261.89	13,189.65	2,518.51	89,970.05

Sl. No.	Particulars	Financial Year	BUSINESS SEGMENTS			Total
			Animal Feed	Oil cake processing	Dairy	
b)	Segment Results	2015-16 2014-15	212.63 2,580.57	951.86 2,956.03	161.68 19.98	1,326.17 5,556.58
	Add Unallocated income (net of unallocated expenditure)	2015-16 2014-15				31.25 (18.87)
	Less Finance Costs	2015-16 2014-15				131.34 194.49
	Total Profit before tax and exceptional items	2015-16 2014-15				1,226.08 5,343.22
	Add Exceptional items	2015-16 2014-15				— 1,045.71
	Profit before tax	2015-16 2014-15				1,226.08 6,388.93
c)	Segment Assets	2015-16 2014-15	5,854.57 6,141.34	3,806.48 3,078.93	566.51 644.12	10,227.56 9,864.39
	Unallocated Assets	2015-16 2014-15				1,331.23 3,938.15
	Total Assets	2015-16 2014-15				11,558.79 13,802.54
d)	Segment Liabilities	2015-16 2014-15	1,704.49 2,530.79	319.80 314.18	114.36 99.23	2,138.65 2,944.20
	Unallocated Liabilities	2015-16 2014-15				2,251.29 3,677.27
	Total Liabilities	2015-16 2014-15				4,389.94 6,621.47
e)	Segment Capital Expenditure	2015-16 2014-15	55.74 81.44	7.90 29.94	17.69 15.14	81.33 126.52
	Unallocated Capital Expenditure	2015-16 2014-15				143.88 29.47
	Total Capital Expenditure	2015-16 2014-15				225.21 155.99
f)	Segment Depreciation and amortisation expenses	2015-16 2014-15	236.44 413.24	83.92 110.63	56.76 78.40	377.12 602.27
	Unallocated Depreciation	2015-16 2014-15				49.76 33.92
	Total Depreciation and amortisation expenses	2015-16 2014-15				426.88 636.19
g)	There is no significant non-cash expenses, included in segment expenses, other than depreciation and amortisation expenses in respect of segment assets.					

Notes:

1 Unallocated assets include

Non- current investments

Cash and Bank balances

Deferred tax asset

2015-16
₹ in lakhs2014-15
₹ in lakhs**2.50**

2.50

1,043.97

3,777.75

73.88

24.82

2 Unallocated liabilities include

	2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
Long Term borrowings	617.31	528.48
Current maturities of Public Deposit	278.81	376.03
Interest accrued but not due on public deposits	95.12	120.87
Unpaid dividends	95.87	714.18
Short-term borrowings	243.87	831.60
Provision for taxation (net of advance tax)	69.15	253.31
Provision for proposed dividend and dividend distribution tax	770.29	770.29

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 (up to 12.07.2015) Mr. A.P. George (from 01.10.2015)
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 (up to 12.07.2015) Pokkath Auto Fuels (up to 12.07.2015)
3	Relatives of Key Managerial Personnel having transactions with the Company	Mrs. Annie Paul Mrs. Seema Suresh (up to 12.07.2015) Mrs. Sawmiya Varghese (up to 12.07.2015) Mrs. Alpho Varghese (up to 12.07.2015) Mrs. Thressiamma George (from 01.10.2015) Mr. A.G. Antony (from 01.10.2015) Mrs. Teena Prince (from 01.10.2015)

B. Transactions with Related Parties during the year

			2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
1	Transactions with Key Managerial Personnel			
1.a	Remuneration	Mr. M.C. Paul	37.95	45.31
		Mr. P.K. Varghese (up to 12.07.2015)	11.29	16.30
		Mr. A.P. George (from 01.10.2015)	10.30	N.A.
		Total	59.54	61.61
1.b	Interest on Public Deposit	Mr. A.P. George (from 01.10.2015)	0.15	N.A.
1.c	Balance outstanding as at the year end -			
--	Payables - Bonus payable and gratuity provided in accounts	Mr. M.C. Paul	52.16	47.84
		Mr. P.K. Varghese (up to 12.07.2015)	0.88	12.92
		Mr. A.P. George (from 01.10.2015)	1.56	—
		Total	54.60	60.76
--	Payables (Public Deposits)	Mr. A.P. George	2.75	N.A.
--	Receivables		Nil	Nil
2	Transactions with enterprises over which key managerial personnel and their relatives are able to exercise significant influence			
2.a	Sale of Products	Emceepee Traders	51.92	49.88
		Emceepee Agencies	16.49	16.14
		MCP Rose Supermarket P. Ltd.	8.41	10.89
		Surya Agencies (up to 12.07.2015)	11.49	43.80
		Total	88.31	120.71

			2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
2.b	Purchase of Materials	M.C. Paul & Sons MCP Rose Supermarket P. Ltd. Pokkath Auto Fuels (up to 12.07.2015) Total	0.12 0.13 6.77 7.02	0.53 0.27 18.00 18.80
2.c	Sales Promotion	MCP Rose Supermarket P. Ltd. Emceepee Traders MCP Properties P. Ltd. (Hall rent for dealer conference) Total	0.30 0.01 — 0.31	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 N.A. — 0.01 0.13	0.10 0.02 0.28 0.47 0.01 0.88
--	Receivables		Nil	Nil
3	Transactions with relatives of Key Managerial Personnel			
3.a	Interest on public deposits	Mrs. Annie Paul Mrs. Mariamma Francis Mrs. Seema Suresh (up to 12.07.2015) Mrs. Sawmiya Varghese (up to 12.07.2015) Mrs. Alpho Varghese (up to 12.07.2015) Mrs. Thressiamma George (from 01.10.2015) Mr. A.G. Antony (from 01.10.2015) Mrs. Teena Prince (from 01.10.2015) Total	0.96 — 0.01 0.03 0.03 0.11 0.39 0.07 1.60	0.87 0.06 0.04 0.11 0.11 N.A. N.A. N.A. 1.19
3.b	Balance outstanding as at the year end			
--	Payables (Public Deposits including accrued interest)	Mrs. Annie Paul Mrs. Seema Suresh Mrs. Sawmiya Varghese Mrs. Alpho Varghese Mrs. Thressiamma George Mr. A.G. Antony Mrs. Teena Prince Total	9.14 N.A. N.A. N.A. 2.00 7.36 1.32 19.82	8.28 0.44 1.03 1.08 N.A. N.A. N.A. 10.83
--	Receivables		Nil	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 Motor car, used by Mr. P.K. Varghese for his official purposes as Executive Director of the Company, was transferred at a written down value of ₹ 6.10 lakhs, to his wife Mrs. Marykutty Varghese (Director from 01.10.2015), subsequent to his death on 12.07.2015, as a reward from the Company for the selfless services rendered by him towards the growth and development of the Company, as per decision of the Board in its meeting held on 23rd July, 2015 and thereafter approved by the shareholders at the annual general meeting held on 19th September, 2015. This amount is included under the head general charges in Note 27 'Other Expenses' forming part of the Financial Statements.

29.11 Raw materials consumed

		2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
(a)	Coconut Oil Cake	19,079.33	17,442.80
(b)	Rice Bran	25,504.81	24,765.05
(c)	Maize	14,528.91	12,428.98
(d)	Cotton Seed Cake	6,656.66	5,590.17
(e)	Milk	1,249.36	1,469.11
(f)	Others	13,301.31	12,380.85
	Total	80,320.38	74,076.96

29.12 Particulars in respect of stock and turnover

₹ in lakhs

Sl. No.	Class of goods manufactured	Opening Value		Closing Value		Sales Value	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1.	Ready-mixed Cattle Feed and Feed Supplement	518.49	484.75	292.21	518.49	78,836.47	73,932.47
2.	De-oiled Coconut Cake	211.79	268.64	667.68	211.79	4,069.10	4,971.49
3.	Refined Oil	35.29	51.92	42.50	35.29	6,522.14	7,748.26
4.	Solvent Extracted Coconut oil	198.15	107.88	121.07	198.15	120.01	293.21
5.	Milk	4.65	4.11	3.94	4.65	1,507.31	1,542.74
6.	Ice Cream	26.91	21.43	27.80	26.91	732.24	749.70
7.	Others	12.34	11.20	22.60	12.34	724.38	760.29
	Total	1,007.62	949.93	1,177.80	1,007.62	92,511.65	89,998.16

29.13 Consumption of raw materials and stores and spares

		Year ended 31 st March 2016		Year ended 31 st March 2015	
		%	₹ in lakhs	%	₹ in lakhs
(a)	Raw Materials				
	Imported	10.83	8,697.34	6.21	4,598.20
	Indigenous	89.17	71,623.04	93.79	69,478.76
	Total	100.00	80,320.38	100.00	74,076.96
(b)	Stores and Spares				
	Imported	0.02	0.11	0.24	1.04
	Indigenous	99.98	452.79	99.76	432.12
	Total	100.00	452.90	100.00	433.16

29.14 CIF value of imports (₹ in lakhs)

	Year ended 31 st March 2016	Year ended 31 st March 2015
- Raw materials	7,089.42	4,560.87
- Capital goods	Nil	Nil
- Stores and Spares	Nil	Nil

29.15 Expenditure in Foreign Currency (₹ in lakhs)

	Year ended 31 st March 2016	Year ended 31 st March 2015
	0.12	0.12

29.16 Earnings in Foreign Exchange (₹ in lakhs)

	Year ended 31 st March 2016	Year ended 31 st March 2015
	Nil	Nil

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

i) No. of Non-Resident shareholders	78	36
ii) No. of shares held by them	25,688	18,523
iii) Dividend remitted in Foreign Currency	Nil	Nil

 Jose Paul Thaliyath
Chairman (DIN : 01773031)

Sd/-

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

Sd/-

 A.P. George,
Executive Director (DIN : 00106808)

Sd/-

 R. Sankaranarayanan
Chief Financial Officer
and Company Secretary

Sd/-

 P.D. Anto
Director (DIN : 00106965)

Sd/-

 John Francis K.
Director (DIN : 00107016)

Sd/-

May 30, 2016

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

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

SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

₹ in lakhs

	2015-16	2014-15	2013-14	2012-13	2011-12
A. ASSETS					
1. Net Fixed Assets:					
Gross Fixed Assets	8073.88	7975.51	8110.64	8078.29	7308.62
Less Depreciation/amortisation	5546.79	5230.20	4456.96	4133.84	3725.22
	2527.09	2745.31	3653.68	3944.45	3583.40
2. Investments	2.50	2.50	7.50	7.50	7.50
3. Long term advances and Current Assets	9029.20	11054.73	5889.11	5580.35	5046.59
Total assets	11558.79	13802.54	9550.29	9532.30	8637.49
B. LIABILITIES					
1. Secured and unsecured loans	1147.80	1754.93	1667.37	2994.24	2622.47
2. Other Liabilities	3242.14	4866.54	3024.83	2468.56	2043.84
Total liabilities	4389.94	6621.47	4692.20	5462.80	4666.31
C. NET WORTH (A-B)					
	7168.85	7181.07	4858.09	4069.50	3971.18
REPRESENTED BY					
1. Share Capital	320.00	320.00	320.00	320.00	320.00
2. Reserves and Surplus	6848.85	6861.07	4538.09	3749.50	3651.18
Shareholder's equity	7168.85	7181.07	4858.09	4069.50	3971.18

SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

₹ in lakhs

	2015-16	2014-15	2013-14	2012-13	2011-12
A. EARNED FROM					
1. Sales	92493.46	89970.05	80630.33	69717.71	54222.00
2. Other income	229.99	1208.82	89.78	108.18	114.28
	92723.45	91178.87	80720.11	69825.89	54336.28
B. PAID AND PROVIDED FOR					
1. Raw materials and finished goods	80150.20	74019.27	69121.63	60474.34	45026.54
2. Manufacturing, administrative, selling and other expenses	7093.02	6556.95	5784.30	5601.64	4730.89
3. Employee benefits expense	3695.93	3383.04	2857.88	2348.07	2287.07
4. Finance costs	131.34	194.49	236.66	313.65	245.27
5. Depreciation/amortisation	426.88	636.19	375.77	422.10	459.47
	91497.37	84789.94	78376.24	69159.80	52749.24
C. PROFIT BEFORE TAX (A-B)	1226.08	6388.93	2343.87	666.09	1587.04
Less: Tax Expenses	468.01	2025.52	806.51	200.79	542.11
D. NET PROFIT AFTER TAX	758.07	4363.41	1537.36	465.30	1044.93
APPROPRIATED TO					
1. Dividend	640.00	1600.00	640.00	320.00	352.00
2. Dividend distribution tax	130.29	322.23	108.77	54.38	57.10
3. Retained in business / (Utilised from accumulated profits)	(12.22)	2441.18	788.59	90.92	635.83
	758.07	4363.41	1537.36	465.30	1044.93



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)

52nd Annual General Meeting

Wednesday, August 31, 2016 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 52nd Annual General Meeting to be held on 31st August, 2016 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, 2016	Ordinary		
2	Declaration of dividend for year ended 31 st March, 2016	Ordinary		
3	Reappointment of Mr. P.D. Anto, retiring by rotation and seeking re-election	Ordinary		
4	Reappointment of Dr. K.C. Vijayaraghavan retiring by rotation and seeking re-election	Ordinary		
5	Ratification of Appointment of Statutory Auditors	Ordinary		
Special Business:				
6	Approval for acceptance of Deposits from Public and/or members	Ordinary		
7	Approval of remuneration of Cost Auditor	Ordinary		
8	Appointment of Mrs. Marykutty Varghese as a Director	Ordinary		
9	Appointment and Remuneration of Mr. A.P. Geroje as Executive Director effective from 01.10.2015	Special		

Signed this day of, 2016

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 52nd Annual General Meeting.

Affix
Revenue
Stamp

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 2543332, 2543451, 2541858

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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