

Ref: S. 177/2017-2018/

000569

6<sup>th</sup> September, 2017

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 31<sup>st</sup> March, 2017 as approved and adopted in the Annual General Meeting held on 31<sup>st</sup> August, 2017 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

**KSE ACHIEVES A NEW MILESTONE  
TURNOVER SURPASSES Rs.1000 CRORE**



## 52<sup>nd</sup> Annual General Meeting



DR. JOSE PAUL THALIYATH, CHAIRMAN ADDRESSES MEMBERS AT THE 52<sup>ND</sup> ANNUAL GENERAL MEETING HELD AT IRINJALAKUDA ON 31<sup>ST</sup> AUGUST, 2016.





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 4958995, 2539835,2539836  
Mail : info@skdc-consultants.com

#### Chairman

Dr. Jose Paul Thaliyath

#### Managing Director

M. C. Paul

#### Executive Director

A. P. George

#### Directors

P. D. Anto  
Dr. K. C. Vijayaraghavan  
John Francis K.  
T. R. Ragulal  
Joseph Xavier  
Sathi A. Menon  
Paul John  
Marykutty Varghese

#### Chief General Manager

Anand Menon

#### Chief Financial Officer and Company Secretary

R. Sankaranarayanan

#### Annual General Meeting

On Thursday,  
31<sup>st</sup> August, 2017 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	17
Corporate Governance Report	54
Management Discussion and Analysis	63
Independent Auditors' Report	66
Balance Sheet	70
Statement of Profit and Loss	71
Cash Flow Statement	72
Notes to Financial Statements	74
Summarised Balance Sheet	94
Summarised Statement of Profit and Loss	94

## Financial Highlights

	2016-2017	2015-2016
	₹ in Lakhs	₹ in Lakhs
Sales and other income	<b>104923.78</b>	92723.45
Gross Profit (Profit before Depreciation and Finance costs)	<b>2972.12</b>	1784.30
Profit before tax	<b>2442.53</b>	1226.08
Net profit after tax	<b>1561.63</b>	758.07
Shareholders' Equity (Net worth)	<b>8730.48</b>	7168.85
Capital employed	<b>9458.00</b>	7833.41
Gross fixed assets	<b>8762.83</b>	8073.88
	₹	₹
Shareholders' equity per share	<b>272.83</b>	224.03
Earnings per share of ₹ 10 each	<b>48.80</b>	23.69
Dividend rate	<b>300%</b>	200%



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

## NOTICE OF THE 53<sup>RD</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 53<sup>rd</sup> Annual General Meeting of KSE Limited, Irinjalakuda will be held at the Registered Office of the Company on Thursday, the 31<sup>st</sup> August, 2017 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of Accounts for the year ended 31<sup>st</sup> March, 2017

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 31<sup>st</sup> March, 2017 including balance sheet as at 31<sup>st</sup> March, 2017 and the statement of profit and loss for the year ended 31<sup>st</sup> March, 2017 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 ₹ 30 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 ₹ 30 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 31<sup>st</sup> March, 2017 absorbing an amount of ₹ 11,55,43,341 (including dividend distribution tax and surcharge and cess thereon) and that the dividend of ₹ 30 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2017 be paid to those shareholders, whose names appear in the Company’s register of members as on 31<sup>st</sup> August, 2017 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 24<sup>th</sup> August, 2017 as per the details furnished by the depositories for this purpose.”

#### 3. To appoint a Director in place of Mr. John Francis K. (DIN : 00107016), 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. John Francis K. (DIN : 00107016), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

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

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

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

#### 5. Appointment of Auditors

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. S. S. AYYAR & CO., Chartered Accountants (ICAI Firm Registration No. 050012 S), be appointed as statutory auditors of the Company, in place of retiring auditors M/s. Varma & Varma, Chartered Accountants (ICAI Firm Registration No. 004532 S) to hold office from the conclusion of this 53<sup>rd</sup> Annual General Meeting (AGM) until the conclusion of the 58<sup>th</sup> AGM to be held in the year 2022, subject to ratification of their appointment by members at every AGM, held after this AGM, as applicable, at such remuneration and out-of-pocket, travelling and living expenses, 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 (hereinafter 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 31<sup>st</sup> March, 2018 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. Enhancement of Remuneration of Mr. M.C. Paul (DIN 00105776), Managing Director

To consider and if deemed 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, read with Schedule V to the Companies Act, 2013 (including any amendment thereto or enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the enhancement of remuneration, by way of salary, bonus, perquisites and allowances of Mr. M.C. Paul (DIN 00105776), Managing Director of the Company within the tenure of his current appointment, from 1<sup>st</sup> January, 2017 till the expiry of his current term of appointment as on 22<sup>nd</sup> October, 2017 as follows, which is as approved by the Nomination and Remuneration Committee in their meeting held on 5<sup>th</sup> January, 2017 and also by the Board of Directors of the Company in their meeting held on 12<sup>th</sup> January, 2017:

a) Salary

₹ 2,50,000 (Rupees Two Lakhs Fifty Thousand only) per month.

b) Bonus

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

c) Gratuity

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

d) Contribution to funds

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

e) Benefits, Perquisites and Allowances

- i. Provision of a car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed to him, if he is not provided with Company's driver.
- ii. Free use of Company's Mobile Phone and telephone at his residence.
- iii. Reimbursement of medical expenses incurred for himself and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.



- iv. Actual leave travel expenses, as per the Rules of the Company, excluding hotel charges once in a year to any place in India to himself and his family.
- v. Fees to clubs subject to a maximum of two clubs provided that no life membership fee or admission fee is paid.

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

RESOLVED FURTHER THAT in the event of there being inadequacy or absence of profits in any financial year, during the currency of tenure of the Managing 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.”

#### **9. Enhancement of Remuneration of Mr. A.P. George (DIN 00106808), 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, read with Schedule V to the Companies Act, 2013 (including any amendment thereto or enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the enhancement of remuneration, by way of salary, bonus, perquisites and allowances of Mr. A.P. George (DIN 00106808), Executive Director of the Company within the tenure of his current appointment, from 1<sup>st</sup> January, 2017 till the expiry of his current term of appointment as on 30<sup>th</sup> September, 2018 as follows, which is as approved by the Nomination and Remuneration Committee in their meeting held on 5<sup>th</sup> January, 2017 and also by the Board of Directors of the Company in their meeting held on 12<sup>th</sup> January, 2017:

- a) Salary  
₹ 1,80,000 (Rupees One Lakh Eighty Thousand only) per month.
- b) Bonus  
Bonus at the rates and in accordance with the rules of the Company as applicable to the senior managerial personnel of the Company with in 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.”

#### **10. Fixation of fees for delivery of any document through a particular mode on the request of a member**

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 20 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (“the Act”), (whereby a document may be served on any member by the Company by sending it to him by post or registered post or by speed post or by courier or by electronic or other mode as may be prescribed), upon receipt of a request from a member for delivery of any document to him/her through a particular mode, the consent of the Company be and is hereby accorded to charge the fee, equivalent to the estimated expenses of delivery of the documents plus additional amount as fixed by the Board of Directors from time to time to meet the incidental cost to the Company in this regard, in advance from the said member, and the Company may deliver the document to the said member in the particular mode as requested by him/her, provided such request along with requisite fee has been duly received by the Company at least 10 days in advance of the date of despatch of documents by the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance along with additional amount as fixed by the Board from time to time.”

#### **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 25<sup>th</sup> August, 2017 to 31<sup>st</sup> August, 2017 (both days inclusive).
9. The dividend, if declared at the Annual General Meeting, would be paid/despached on or after 1<sup>st</sup> September, 2017 to those persons or their mandates:
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on 24<sup>th</sup> August, 2017 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 31<sup>st</sup> August, 2017 after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 24<sup>th</sup> August, 2017.

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 124 of the Companies Act, 2013. It may be noted that no claim shall lie against the Company 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 31<sup>st</sup> March 2010 onwards are requested to lodge their claim with the Company.
11. The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> 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 2008-2009, as on the date of the 52<sup>nd</sup> Annual General Meeting (AGM) held on 31<sup>st</sup> August, 2016, on the website of the IEPF ([www.iepf.gov.in](http://www.iepf.gov.in)) and on the website of the Company at [www.kselimited.com](http://www.kselimited.com).
12. Pursuant to Rule 6 of the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, read with Section 124 and 125 of the Companies Act, 2013, all shares in respect of which dividends are not claimed for the last seven years in respect of any shareholder have to be transferred to the IEPF Demat account. Shareholders who have not claimed their dividends during the last seven years can write to our Registrar & Transfer Agents M/s.S.K.D.C. Consultants Ltd.for further details and for making a valid claim for the unclaimed dividends. Concerned shareholders who wish to claim the shares/ Dividend(s) after transfer to IEPF, a separate application has to be made to the IEPF Authority in Form IEPF-5, as prescribed under the Rules.
13. 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, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 Phone: +91422-4958995, 2539835, 2539836 Email: [info@skdc-consultants.com](mailto:info@skdc-consultants.com).
14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. **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 24<sup>th</sup> August, 2017, 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 53<sup>rd</sup> Annual General Meeting scheduled to be held on Thursday, the 31<sup>st</sup> August, 2017 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 given below. Once the member exercises 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 of 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 28<sup>th</sup> August, 2017 at 9.00 a.m. and ends on 30<sup>th</sup> August, 2017 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 24<sup>th</sup> August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 30<sup>th</sup> August, 2017 at 5.00 p.m.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>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.</li> <li>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.</li> </ul>
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"> <li>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).</li> </ul>

- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Irinjalakuda  
30-05-2017

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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018.

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 - Enhancement of Remuneration of Mr. M.C. Paul (DIN 00105776), Managing Director**

Mr. M.C. Paul (DIN 00105776) is a Promoter Director and is actively associated with the development of the Company from its inception. He was appointed as Whole-time Director with effect from 23-10-1976 and later on as Executive Director with effect from 23-10-1977. He was further appointed as Managing Director of the Company with effect from 01-11-1994 and still continues as Managing Director of the Company. During his tenure as Managing Director, the business of the Company grew substantially registering steady growth in terms of turnover, profits and reserves. The Company had also won the National Productivity Award consecutively for ten years from 1996-97 to 2005-06 for the best productivity performance in the category of Animal Feed Processing Industry, and the award was not announced thereafter.

Mr. M.C. Paul (DIN 00105776) was reappointed as Managing Director for a period of three years from 23<sup>rd</sup> October, 2014 on a remuneration of ₹ 2,00,000 per month in the Scale of ₹ 2,00,000-10,000-2,20,000 along with perquisites which was approved by the shareholders at the Annual General Meeting held on 25<sup>th</sup> September, 2014. Considering the general increase in remuneration across the industry and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 12<sup>th</sup> January, 2017 decided to enhance his remuneration from 1<sup>st</sup> January, 2017 till the expiry of his present term of appointment, that is upto 22<sup>nd</sup> October, 2017, in the manner as specified in the resolution under Item 8, subject to the consent of members in general meeting by Special resolution. Since Mr. M.C. Paul (DIN 00105776) 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. The remuneration enhanced by the Board in their meeting held on 12<sup>th</sup> January, 2017, subject to approval of the shareholders, has been paid to him with effect from 1<sup>st</sup> January, 2017.

Mr. M.C. Paul (DIN 00105776) 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 continuance as Managing Director of the Company. He is not disqualified from being continuing as Director in terms of section 164 of the Act.

This statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further information about Mr. M.C. Paul (DIN 00105776), 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. M.C. Paul (DIN 00105776) 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 enhancement of remuneration of Mr. M.C. Paul (DIN 00105776) Managing 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 2016-17	₹ in Lakhs
		Total Revenue – Sales and Other Income	104,923.78
		Profit Before Income tax	2,442.53
		Tax Expenses	880.90
		Net Profit after Tax	1,561.63
		Net worth	8,730.48
5.	Foreign investments or collaborations	Nil	
II	INFORMATION ABOUT APPOINTEE		
1.	Back Ground Details	As narrated above	
2.	Past Remuneration	For financial year 2016-17 - ₹ 47.86 lakhs.	
3.	Recognition or awards	a. Business Deepika - “Business Man of Kerala 1996”. b. Best Manager award by Trichur Management Association for 1997-98. c. Excellence in management of food processing industries given by Thrissur Chapter of Association of Food Scientists and Technologists (India), an association of Veterinary Scientists and Dairy Technologists. d. Thanks Badge award, a national award by “The Bharat Scouts & Guides”. e. Life Time Achievement Award constituted by ASSOCHAM, Trichur. f. Business Acharya Award 2014 from Rashttra Deepika. g. Life time achievement Award 2014 from Trichur Management Association.	
4.	Job Profile and his suitability	Overall management of the Company. Given his experience, Shri M.C. Paul is considered well suited for the position.	
5.	Remuneration proposed	As specified in the Resolution under Item 8.	
6.	Comparative remuneration profile with respect to the industry	The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in Feed Industry.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Besides the remuneration proposed to be paid to him, the details of pecuniary relationships of Mr. M.C. Paul and his relatives and concerns in which they are interested for the year 2016-17 are : Purchase of materials and service from MC Paul and Sons and MCP Rose Super Market P Ltd. ₹ 0.41 lakh and Sales of products to Emceepee Traders and Emceepee Agencies and MCP Rose Super Market P. Ltd. ₹ 121.28 lakhs. Deposits of relatives under Fixed Deposit Scheme of the Company outstanding as on 31.03.2017 ₹ 10.00 lakhs and interest paid during year 2016-17 ₹ 0.95 lakh.	
III	OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	Not applicable, as the Company has earned a net profit after tax of ₹ 1,561.63 Lakhs during the year ended 31 <sup>st</sup> March, 2017.	
2.	Steps taken or proposed to be taken for improvement	Not Applicable	
3.	Expected increase in productivity and profits in measurable terms	Not Applicable	

**Item 9 - Enhancement of Remuneration of Mr. A.P. George (DIN 00106808) as Executive Director**

Board of Directors of the Company, in their meeting held on 22<sup>nd</sup> September, 2015, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. A.P. George (DIN 00106808) as Executive Director of the Company for a period of three years from 1<sup>st</sup> 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. Considering the general increase in remuneration across the industry and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 12<sup>th</sup> January, 2017 decided to enhance his remuneration from 1<sup>st</sup> January, 2017 till the expiry of his present term of appointment, that is up to 30<sup>th</sup> September, 2018, in the manner as specified in the resolution under Item 9, subject to the consent of members in general meeting by Special resolution. 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 continuance as Executive Director of the Company. 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 2016-17	₹ in Lakhs
		Total Revenue – Sales and Other Income	104,923.78
		Profit Before Income tax	2,442.53
		Tax Expenses	880.90
		Net Profit after Tax	1,561.63
		Net worth	8,730.48
5.	Foreign investments or collaborations	Nil	
II	INFORMATION ABOUT APPOINTEE		
1.	Back Ground Details	As narrated above	
2.	Past Remuneration	For financial year 2016-17 - ₹ 23.02 lakhs.	

3.	Recognition or awards	He is not a recipient of any awards at personal level. However, he had received several awards on behalf of the Company at various 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 31.03.2017 is ₹ 13.93 lakhs and interest paid on the said deposits during year 2016-17 is ₹ 1.48 lakhs.
III	OTHER INFORMATION	
1.	Reasons of loss or inadequate profits	Not applicable, as the Company has earned a net profit after tax of ₹1,561.13 Lakhs during the year ended 31 <sup>st</sup> March, 2017.
2.	Steps taken or proposed to be taken for improvement	Not Applicable
3.	Expected increase in productivity and profits in measurable terms	Not Applicable

#### Item 10 : Fixation of fees for delivery of any document through a particular mode on the request of a member

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. As the cost of providing documents may vary according to the mode of service, weight and its destination etc., it is proposed that actual expense borne by the Company plus additional amount as fixed by the Board of Directors from time to time to meet the incidental cost to the Company for such dispatch shall be paid in advance by the member to the company.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Board accordingly commend the Ordinary Resolution at item No. 10 of the accompanying notice, for the approval of the members of the Company. None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.10 of the accompanying Notice.

Irinjalakuda  
30-05-2017

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. John Francis K. (DIN: 00107016)	Mr. T.R. Ragulal (DIN: 00361070)	Mr. M.C. Paul (DIN: 00105776)	Mr. A.P. George (DIN: 00106808)
Date of Birth	18/02/1957	23/05/1962	21/05/1924	19/10/1935
Date of Appointment	01/11/1994	31/01/2002	25/09/1963	25/09/1963
Qualification	PDC	BBA from University of Pennsylvania, USA	Matriculation	B.A., B.L.
Experience	Hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He has gained good experience in oil milling through his family business. He has joined as Director of the Company with effect from 1.11.1994 and is servicing the Company as Director from that date. He is also acting as a member of the Stakeholders' Relationship Committee of the Company with effect from 28.09.2002 and as a member of the CSR Committee of the Company with effect from 06.10.2014.	Hails from a respectable business family of Thrissur. He is currently the Managing Director of M/s. Yamuna Roller Flour Mills Pvt. Ltd and Elite Food Pvt. Limited. He was Chairman of the Kerala State Committee of Confederation of Indian Industries during 2004-05. He is a member of the Stakeholders' Relationship Committee of the Company from 28.09.2002. He is also a member of the CSR Committee from the constitution of the Committee on 06.10.2014.	One of the Promoter Directors and is actively associated with the development of the Company from its inception as Director, Whole-time Director, Executive Director and then as Managing Director of the Company. As an expert in management of people, He is active in labour negotiations and tackles the labour Unions efficiently and takes care of the wellbeing of the employees. Was Municipal Chairman and is an active member in various associations in the locality.	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 Senior Advocate of Irinjalakuda Bar. He was also Chairman of Stakeholders' Relationship Committee of the Company from 28.09.2002 to 22.09.2015 and thereafter continues as a member of the said Committee. 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 31.03.2017	18,120	29,208	37238	48,776



## MAP SHOWING THE LOCATION OF THE VENUE OF 53<sup>rd</sup> ANNUAL GENERAL MEETING OF KSE LIMITED ON 31<sup>st</sup> AUGUST, 2017



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

## BOARD'S REPORT

Your Directors are pleased to present the 53<sup>rd</sup> Annual Report and the audited accounts for the financial year ended 31<sup>st</sup> March 2017.

### Financial Highlights

	Year ended 31.03.2017 ₹ in lakhs		Year ended 31.03.2016 ₹ in lakhs	
Profit before Finance costs, Depreciation and amortisation expenses and Tax expenses		2,972.12		1,784.30
Less : Finance costs	201.53		131.34	
Depreciation and amortisation expenses	328.06	529.59	426.88	558.22
<b>Profit before tax</b>		<b>2,442.53</b>		<b>1,226.08</b>
Less : Tax expenses		880.90		468.01
<b>Profit after tax for the current year</b>		<b>1,561.63</b>		<b>758.07</b>
Add : Opening balance of Surplus		850.46		962.68
Sub-Total		2,412.09		1,720.75
Less : Appropriations				
Transfer to General Reserve		200.00		100.00
Surplus		<b>2,212.09</b>		<b>1,620.75</b>
Proposed dividend	960.00		640.00	
Dividend distribution tax	195.43	1,155.43	130.29	770.29
<b>Surplus available after proposed dividend</b>		<b>1,056.66</b>		<b>850.46</b>

### Dividend

Your Directors recommend a dividend of 300 % (₹ 30.00 per share of ₹ 10 each) for the year ended 31<sup>st</sup> March, 2017, out of the profits of the Company for the year ended 31<sup>st</sup> March, 2017, absorbing a total amount of ₹ 11,55,43,341 (including dividend distribution tax and cess thereon). The dividend of ₹ 30 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2017, 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 31<sup>st</sup> August, 2017. 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 24<sup>th</sup> August, 2017 as per the details furnished by the depositories for this purpose.

The dividend payout for the year 2016-17 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 2008-09 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 August 31, 2016 (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 2009-10 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 2017	Due date for Transfer to Investor Education and Protection Fund
2009-10 (Final Dividend)	29 July, 2010	28 July, 2017	539890	28 August, 2017
2010-11 (Final Dividend)	28 July, 2011	27 July, 2018	567530	27 August, 2018
2011-12 (Final Dividend)	31 July, 2012	30 July, 2019	695266	30 August, 2019
2012-13 (Final Dividend)	31 July, 2013	30 July, 2020	734170	30 August, 2020
2013-14 (Final Dividend)	25 September, 2014	24 September, 2021	1849680	24 October, 2021
2014-15 (Interim Dividend)	12 February, 2015	11 February, 2022	884400	14 March, 2022
2014-15 (Interim Dividend)	25 March, 2015	24 March, 2022	1647840	24 April, 2022
2014-15 (Final Dividend)	19 September, 2015	18 September, 2022	1793020	19 October, 2022
2015-16 (Final Dividend)	31 August, 2016	30 August, 2023	1858580	30 September, 2023

### Transfer to Reserves

The Company proposes to transfer ₹ 200 lakhs to the General Reserve out of amount available for appropriations and an amount of ₹ 2,212.09 lakhs is proposed to be retained as Surplus.

### Operating Results and Business Operations

The over-all profit after tax improved to ₹ 1,561.63 lakhs in year 2016-17 compared to ₹ 758.07 lakhs in the previous year. The turnover for the year 2016-17 also improved by 13.20 % from ₹ 925 crores to ₹ 1047 crores during the year ended 31<sup>st</sup> March, 2017.

The cost of ingredients for the animal feed increased sharply in the first half of 2016-17 and later on declined on fresh arrivals and thereafter was steady in the second half. We had to resort to corrections in the selling price of feed to reduce the losses during difficult times. We ensured steady supply even when we were incurring losses in the first half but could make up all the losses and generate good margins in the second half. The sales volume of feed also increased by 3.50 % on an year to year basis, from 4.49 lakhs tons to 4.65 lakhs tons. As a result of this, we could report a profit of ₹ 938.13 lakhs in the year 2016-17 against our previous year profit of ₹ 212.63 lakhs for 2015-16. The entire profit for 2016-17 was generated in the second half of the year, after wiping off the losses in the first half of that year.

In the cake processing division the copra cake was available at more or less steady rates at around ₹ 20,000 per ton throughout the year. We had to mainly depend on imports, as local arrivals were limited. The price of local cake was also under control which hovered around ₹ 20,000 per ton. The price of coconut oil during 2016-17 continued below ₹ 80/kg. till August, 2016 and slowly started raising and is at present around ₹ 120/kg. There was an exceptional growth in the quantity of cake processed in year 2015-16 by over 27 %. Over and above the said growth, the volume of cake processed improved by 5.50 % from 87,400 tons in the previous year to 92,250 tons in the year under report. Thus, the cake processing division reported a profit of ₹ 1,580.95 lakhs for the year 2016 -17 compared to a profit of ₹ 951.86 lakhs in the previous year.

The volume of sales of ice cream also improved by 17 % to 1135 kl. in 2016-17 compared to 973 kl. in the previous year, by effective marketing, even though the margins on ice cream were under strain. The availability of margin in milk sales helped to keep the Dairy division within profits at ₹ 83.07 lakhs compared to previous year profit of ₹ 161.68 lakhs. We are taking all efforts to improve the production and sale volume of ice cream.

Recently, the Government of Kerala has revised the price of milk by 10 % and the Government of Tamil Nadu is also expected to follow suit in the near future. This is expected to increase the purchasing power of our customers, who are rearing cattle, and in turn it will increase the cattle population once the industry becomes profitable. There is a slight tendency for the prices of raw materials to increase, even though the same remains more or less steady. 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. With this expectation we have added one more outsourced production facility at Kanjikode for meeting the increased demand of feed. 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 2017-18 the availability of local copra cake is strained due to failure of crop and we have to depend on imported copra cake for meeting our requirements. The imports of copra cake is at present available in sufficient quantity at reasonable price. As such, we do not expect any shortage of supply of copra cake. The market price of coconut oil is around ₹ 120/kg. at present, which is encouraging. If the price of coconut oil continues at this level, we will be able to keep our margins on cake processing and we can present in year 2017-18 a better 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 2015-16. This Award is being received by the Company for the past 26 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.

### **Directors and Key Managerial Personnel**

In accordance with Section 196, 197 and other applicable provisions of the Companies Act, 2013, Resolution seeking approval of the shareholders for the enhancement of remuneration of Mr. M.C. Paul, Managing Director and Mr. A.P. George, Executive Director of the Company, has been incorporated in the Notice convening the forthcoming 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. John Francis K. and Mr. T.R. Ragulal 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 2016-17, the sitting fees payable to the non-executive directors has been enhanced with effect from 13<sup>th</sup> January, 2017 from ₹ 10,000 to ₹ 12,000 per meeting of the Board and from ₹ 5,000 to ₹ 7,000 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 31<sup>st</sup> March, 2017. 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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017 and of the profit of the Company for the financial year ended 31<sup>st</sup> March, 2017;
- (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 31<sup>st</sup> March, 2017 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. 30.7 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

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Varma & Varma, Chartered Accountants (ICAI Firm Registration No. 004532 S) are liable to retire from their office as Auditors of the Company on the conclusion of the 53<sup>rd</sup> Annual General Meeting (AGM) to be held on 31<sup>st</sup> August, 2017. Accordingly the Audit Committee has recommended M/s. S. S. AYYAR & CO., Chartered Accountants (ICAI Firm Registration No. 050012S) for being appointed as statutory auditors of the Company, in place of retiring auditors M/s. Varma & Varma, Chartered Accountants (ICAI Firm Registration No. 004532 S) to hold office from the conclusion of the 53<sup>rd</sup> AGM until the conclusion of the 58<sup>th</sup> AGM to be held in the year 2022, subject to ratification of their appointment by members at every following AGMs.

The Auditors' Report for the financial year 2016-17, 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 2016-17 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 31<sup>st</sup> March, 2017. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2017 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 2016-17, the Company has not received any complaints on sexual harassment and no complaints remain pending as of 31<sup>st</sup> March, 2017.

### 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.

### Capital Expenditure

One G58/ 850kW Gamesa make Wind Turbine Generator (WTG) costing ₹ 5.37 crores was commissioned on 24-03-2017 at Palayam Wind Park, Karur District, Tamilnadu, for utilising the power generated thereby in Swaminathapuram and Thalayuthu Units of the Company through the network of Tamil Nadu Electricity Board under an agreement with them, with an intention to reduce the cost of power in those Units.

### 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.

By Order of the Board

Sd/-

**Dr. Jose Paul Thaliyath**  
(DIN : 01773031)  
Chairman

Irinjalakuda  
May 30, 2017

## “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 12<sup>th</sup> 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 26<sup>th</sup> 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 31<sup>ST</sup> MARCH, 2017**

- 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](http://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  
₹ 2976.39 lakhs  
(Average profit for financial years 2013-14, 2014-15 and 2015-16)
- 4 Prescribed CSR Expenditure  
₹ 59.53 lakhs (2% of the above)
- 5 Details of CSR spent during the financial year
  - (a) Total amount to be spent  
₹ 59.53 lakhs
  - (b) Amount unspent  
Nil (Total amount spent under CSR for the financial year 2016-17 is ₹ 59.54 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	Ambulance to Sevabharathi, Irinjalakuda, (Registered under Charitable Societies Act, 1995) for the service to general public	Promotion of Health Care [Schedule VII (i)]	Local in Irinjalakuda	11.50	11.50	11.50	11.50
2	Digitalization of X-Ray Machine of Government General Hospital and provision of essential equipments required therefor	Promotion of Health Care [Schedule VII (i)]	Local in Irinjalakuda	8.68	8.68	8.68	8.68
3	Dialysis machine and comfort cot and bed to Peringottukara Association Dialysis Centre, a Registered Charitable Institution with Section 80 G benefits	Promotion of Health Care [Schedule VII (i)]	Peringottukara in Thrissur District	6.54	6.54	6.54	6.54
4	Digitalization of X-Ray Machine (Computerized Radiography) for Swami Vivekananda Medical Mission Hospital, a chartable institution with Sec. 80G Benefits for the welfare of tribes and other backward sections of the society	Promotion of Health Care [Schedule VII (i)]	Attapady	7.50	7.50	7.50	7.50

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
5	Hospital Equipments to Government Medical college hospital, Thrissur	Promotion of Health Care [Schedule VII (i)]	Thrissur	5.63	5.63	5.63	5.63
6	Providing HT power connection for the new hospital complex of Government General Hospital, constructed for a cost of ₹ 10 Crores with Central Government Fund under National Health Mission, to make it usable. Part of the project will be completed in year 2016-17 and the balance in the year 2017-18.	Promotion of Health Care [Schedule VII (i)]	Local Irinjalakuda	12.78	6.52	6.52	6.52
7	Car to Irinjalakuda Co-operative Hospital Ltd for moving patients to and from hospital and to carry doctors and para medical staff to the residence of patients, for providing palliative care free of cost	Promotion of Health Care [Schedule VII (i)]	Local Irinjalakuda	4.79	4.79	4.79	4.79
8	Santhwanam Charitable Society, Irinjalakuda, a home for mentally challenged	Promotion of special education for differently abled [Schedule VII (ii)]	Local Irinjalakuda	2.80	2.80	2.80	2.80
9	Toilet block for Malleeswara Vidya Nikethan School	Promotion of Sanitation [Schedule VII (i)]	Attapady	2.78	2.78	2.78	2.78
10	Digital screens for smart class to Little Flower Convent School	Promotion of education [Schedule VII (ii)]	Local Irinjalakuda	1.03	1.03	1.03	1.03
11	Digital screens for smart class to St. Marys LP School	Promotion of education [Schedule VII (ii)]	Local Edathirinji, Irinjalakuda	1.03	1.03	1.03	1.03
12	Solar Water Heater to House of Providence, an old age home	Facilities for Senior Citizens in old age home [Schedule VII (iii)]	Local Irinjalakuda	0.75	0.75	0.75	0.75

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/-

Place : Irinjalakuda  
 Date : 30.05.2017

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

For KSE Limited

Sd/-

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



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

(a)	Deposits accepted during the year	₹ 306.85 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, 2017

## “ANNEXURE F” TO BOARD’S REPORT

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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 4958995, 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	85.86 %
2	Extraction of vegetable oil and meal from copra cake	10402, 10406–Manufacture of vegetable oils and meals	11.02 %

#### 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 31.03.2017					

#### 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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	755875	107190	863065	26.971	744399	97990	842389	26.325	-0.646
b) Central Govt.	-	-	-	-	-	-	-	-	

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>755875</b>	<b>107190</b>	<b>863065</b>	<b>26.971</b>	<b>744399</b>	<b>97990</b>	<b>842389</b>	<b>26.325</b>	<b>-0.646</b>
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>755875</b>	<b>107190</b>	<b>863065</b>	<b>26.971</b>	<b>744399</b>	<b>97990</b>	<b>842389</b>	<b>26.325</b>	<b>-0.646</b>
<b>B. Public Shareholding</b>									
(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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	600618	8800	609418	19.044	632278	8800	641078	20.034	0.990
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹1 lakh	648442	624255	1272697	39.771	608012	590675	1198687	37.459	-2.312
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	203777	84740	288517	9.016	275734	84740	360474	11.265	2.249
c) Others (specify)									
Non Resident Indians	24288	1400	25688	0.803	19222	1400	20622	0.644	-0.159
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Directors and Relatives	105663	18300	123963	3.874	104403	18300	122703	3.834	-0.040
Clearing Members	2176	0	2176	0.068	2149	0	2149	0.067	-0.001
Hindu Undivided Families	12593	0	12593	0.394	10015	0	10015	0.313	-0.081
Trusts	1883	0	1883	0.059	1883	0	1883	0.059	0.000
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>1599440</b>	<b>737495</b>	<b>2336935</b>	<b>73.029</b>	<b>1653696</b>	<b>703915</b>	<b>2357611</b>	<b>73.675</b>	<b>0.646</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1599440</b>	<b>737495</b>	<b>2336935</b>	<b>73.029</b>	<b>1653696</b>	<b>703915</b>	<b>2357611</b>	<b>73.675</b>	<b>0.646</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+ B+ C)</b>	<b>2355315</b>	<b>844685</b>	<b>3200000</b>	<b>100.000</b>	<b>2398095</b>	<b>801905</b>	<b>3200000</b>	<b>100.000</b>	<b>0.000</b>

## B) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding 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	ESTA JACKSON	22100	0.691		22100	0.691		
2	SUNNY FRANCIS	17240	0.539		17240	0.539		
3	DR FRANCIS ALAPPAT	500	0.016		500	0.016		
4	JOHN FRANCIS	18120	0.566		18120	0.566		
5	PAUL FRANCIS	23600	0.738		23600	0.738		
6	SUSAN FRANCIS	10600	0.331		10600	0.331		
7	THIMATHEWS THOMAS PERUMBILLY	20200	0.631		20200	0.631		
8	USHA HEMACHANDRAN	22320	0.698		22320	0.698		
9	BINU ANN	4400	0.138		4400	0.138		
10	T.R. RAGULAL	29208	0.913		29208	0.913		
11	HONEY ROY	1800	0.056		1800	0.056		
12	JACKSON M P	6600	0.206		6600	0.206		
13	M C JOHNSON	5500	0.172		5500	0.172		
14	LATHIKA VIJAYARAGHAVAN	15300	0.478		15731	0.492		0.014
15	K C VIJAYARAGHAVAN	46000	1.438		46215	1.444		0.006
16	VASUDEVAN K C	12260	0.383		12260	0.383		
17	TOMY M P	6600	0.206		6600	0.206		
18	MOLLY TOMY	21200	0.663		21200	0.663		
19	T.R. VIJAYAKUMAR	25643	0.801		25643	0.801		
20	T R VENUGOPAL	26196	0.819		26196	0.819		
21	M V RITAMMA	12100	0.378		12100	0.378		

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding 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	
22	REENA JOJY	7500	0.234		7500	0.234		
23	M P GIGI	6500	0.203		6500	0.203		
24	USHA FRANCIS	3900	0.122		3900	0.122		
25	ALICE GEORGE	8700	0.272		8700	0.272		
26	GEORGE A P	59776	1.868		48776	1.524		-0.344
27	ANTO P.D.	10200	0.319		10200	0.319		
28	ANIL KUMAR K C	20000	0.625	0.625	90	0.003		-0.622
29	JOSE A K .	2231	0.070		567	0.018		-0.052
30	DAISY JOSE	12000	0.375		12100	0.378		0.003
31	BEENA JOHN	12260	0.383		12260	0.383		
32	SHINY FRANCIS	9000	0.281		9000	0.281		
33	M P BRIGHT	6500	0.203		6500	0.203		
34	BEENA KAILASHNATHAN	13700	0.428		13700	0.428		
35	REENA GIGI	21200	0.662		21200	0.662		
36	LATHA VENUGOPAL	200	0.006		200	0.006		
37	MARIAMMA ANTO	10500	0.328		10500	0.328		
38	SHYAMA PRAKASAN .	500	0.016		500	0.016		
39	GAYATHRI VIJAYARAGHAVAN	824	0.026		824	0.026		
40	M.C. PAUL	37238	1.164		37238	1.164		
41	K.C. PYARELAL	22752	0.711		22974	0.718		0.007
42	PRAKASAN K C .	13160	0.411		13160	0.411		
43	PUSHPAM BRIGHT	21100	0.659		21100	0.659		
44	DONY A G	11580	0.362		11580	0.362		
45	TESSY GEORGE	4900	0.153		4900	0.153		
46	SINI R. SANTOSH	13500	0.422		13500	0.422		
47	SUMY PAUL	2170	0.068		2170	0.068		
48	ANTONY A G	5400	0.169		10400	0.325		0.156
49	JOJY THOMAS K	1600	0.050		1600	0.050		
50	SHEELA . RAJIVEN	13700	0.428		13700	0.428		
51	BASTIAN DEVASSY	1200	0.038		1200	0.038		
52	SARIGA RAGHULAL	200	0.006		200	0.006		
53	A P PAUL	4300	0.134		4300	0.134		
54	MEERA PYARELAL	545	0.017		545	0.017		
55	SUNIL KUMAR K C	1890	0.059		1890	0.059		
56	THRESSIAMMA GEORGE	26120	0.816		32120	1.004		0.188
57	SAWMIYA GINO	7010	0.219		7080	0.221		0.002
58	LEERA JEEJO	4000	0.125		4000	0.125		

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding 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	
59	SONIA SUNNY	14410	0.450		14410	0.450		
60	ANISH P ANTO	900	0.028		900	0.028		
61	MARYKUTTY VARGHESE	10098	0.316		10098	0.316		
62	TEENA PRINCE	2515	0.079		2515	0.079		
63	JOHNSON P D	13900	0.434		13900	0.434		
64	SURESH JOSE	1400	0.044		4400	0.138		0.094
65	SALLY PAUL	400	0.012		400	0.012		
66	SEEMA SURESH	4600	0.144		1600	0.050		-0.094
67	PRINCE PANIKULAM	3800	0.119		3800	0.119		
68	P D VINCENT	1120	0.035		990	0.031		-0.004
69	ROSE VARGHESE	4000	0.125		4000	0.125		
70	MARINA VINCENT	2703	0.084		2693	0.084		
71	SIDDHARTH VIJAYARAGHAVAN	216	0.006		216	0.006		
72	MERCY BASTIAN	16600	0.519		16600	0.519		
73	ALLU P ANTO	200	0.006		200	0.006		
74	ANU MARIA	4400	0.138		4400	0.138		
75	SUJA JOHNSON POKKATH	17100	0.534		17100	0.534		
76	FR JOSE AKKARAKKARAN	8160	0.255		8160	0.255		
77	A O ROSY	1600	0.050		1600	0.050		
78	A G REENA	8000	0.250		8000	0.250		
79	ELIKUTTY CHAKKUNNY	400	0.013		400	0.013		
80	K C SASIDHARAN	100	0.003		100	0.003		
81	GEORGE THERATTIL	900	0.028		900	0.028		
82	ROSY BABY	100	0.003		100	0.003		
83	P.D. GEORGE	100	0.003		100	0.003		
		<b>863065</b>	<b>26.971</b>	<b>0.625</b>	<b>842389</b>	<b>26.325</b>		<b>-0.646</b>

### C) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	863065	26.971		
	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	842389	26.325		

# Transfer details of promoters are given in the next page.



**INCREASE/DECREASE IN PROMOTERS' SHAREHOLDING**

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2016 to 31.03.2017	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the Company				No of shares	% of total shares of the Company
1	LATHIKA VIJAYARAGHAVAN	15300	0.478	01/04/2016			15300	0.478
				06/05/2016	130	Transfer	15430	0.482
				03/06/2016	50	Transfer	15480	0.484
				28/10/2016	1	Transfer	15481	0.484
		15731	0.492	31/03/2017	250	Transfer	15731	0.492
2	K C VIJAYARAGHAVAN	46000	1.438	01/04/2016			46000	1.438
				10/02/2017	100	Transfer	46100	1.441
				03/03/2017	115	Transfer	46215	1.444
		46215	1.444	31/03/2017			46215	1.444
3	GEORGE A P	59776	1.868	01/04/2016			59776	1.868
				19/08/2016	-11000	Transfer	48776	1.524
		48776	1.524	31/03/2017			48776	1.524
4	ANIL KUMAR K C	20000	0.625	01/04/2016			20000	0.625
				20/01/2017	100	Transfer	20100	0.628
				10/02/2017	-5010	Transfer	15090	0.472
				10/02/2017	5	Transfer	15095	0.472
				17/02/2017	-10005	Transfer	5090	0.159
				24/02/2017	-5000	Transfer	90	0.003
		90	0.003	31/03/2017			90	0.003
5	DAISY JOSE	12000	0.375	01/04/2016			12000	0.375
				03/09/2016	100	Transmission	12100	0.378
		12100	0.378	31/03/2017			12100	0.378
6	SAWMIYA GINO	7010	0.219	01/04/2016			7010	0.219
				20/05/2016	10	Transfer	7020	0.219
				10/06/2016	10	Transfer	7030	0.220
				16/09/2016	10	Transfer	7040	0.220
				07/10/2016	40	Transfer	7080	0.221
		7080	0.221	31/03/2017			7080	0.221

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share- holding	Reason	Cumulative Shareholding during the year 01.04.2016 to 31.03.2017	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the Company				No of shares	% of total shares of the Company
7	JOSE A K .	2231	0.070	01/04/2016			2231	0.070
				08/04/2016	-50	Transfer	2181	0.068
				17/06/2016	-33	Transfer	2148	0.067
				30/06/2016	-50	Transfer	2098	0.066
				01/07/2016	-50	Transfer	2048	0.064
				08/07/2016	-200	Transfer	1848	0.058
				15/07/2016	-120	Transfer	1728	0.054
				22/07/2016	-182	Transfer	1546	0.048
				29/07/2016	-50	Transfer	1496	0.047
				05/08/2016	-55	Transfer	1441	0.045
				12/08/2016	-90	Transfer	1351	0.042
				28/10/2016	-150	Transfer	1201	0.038
				11/11/2016	-100	Transfer	1101	0.034
				25/11/2016	-50	Transfer	1051	0.033
				09/12/2016	-60	Transfer	991	0.031
				16/12/2016	-25	Transfer	966	0.030
				23/12/2016	-20	Transfer	946	0.030
				30/12/2016	-81	Transfer	865	0.027
				06/01/2017	-50	Transfer	815	0.025
				20/01/2017	-6	Transfer	809	0.025
				27/01/2017	-9	Transfer	800	0.025
				10/03/2017	-50	Transfer	750	0.023
				24/03/2017	-50	Transfer	700	0.022
		567	0.018	31/03/2017	-133	Transfer	567	0.018
8	KOLLARA CHATHUNNY PYARELAL	22752	0.711	01/04/2016			22752	0.711
				21/10/2016	173	Transfer	22925	0.716
				17/03/2017	30	Transfer	22955	0.717
		22974	0.718	31/03/2017	19	Transfer	22974	0.718
9	ANTONY A G	5400	0.169	01/04/2016			5400	0.169
				19/08/2016	5000	Transfer	10400	0.325
		10400	0.325	31/03/2017			10400	0.325
10	SURESH JOSE	1400	0.044	01/04/2016			1400	0.044
				13/05/2016	-1400	Transfer	0	0.000
				13/05/2016	4400	Transfer	4400	0.138
		4400	0.138	31/03/2017			4400	0.138

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2016 to 31.03.2017	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the Company				No of shares	% of total shares of the Company
11	THRESSIAMMA GEORGE	26120	0.816	01/04/2016			26120	0.816
				19/08/2016	6000	Transfer	32120	1.004
		32120	1.004	31/03/2017			32120	1.004
12	SEEMA SURESH	4600	0.144	01/04/2016			4600	0.144
				13/05/2016	-3000	Transfer	1600	0.050
		1600	0.050	31/03/2017			1600	0.050
13	P D VINCENT	1120	0.035	01/04/2016			1120	0.035
				12/08/2016	-300	Transfer	820	0.026
				26/08/2016	230	Transfer	1050	0.033
				02/09/2016	140	Transfer	1190	0.037
				21/10/2016	-200	Transfer	990	0.031
		990	0.031	31/03/2017			990	0.031
14	MARINA VINCENT	2703	0.084	01/04/2016			2703	0.084
				12/08/2016	-300	Transfer	2403	0.075
				26/08/2016	230	Transfer	2633	0.082
				02/09/2016	390	Transfer	3023	0.094
				21/10/2016	-200	Transfer	2823	0.088
				04/11/2016	-130	Transfer	2693	0.084
		2693	0.084	31/03/2017			2693	0.084

**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 01.04.2016 to 31.03.2017	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% 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	01/04/2016			545031	17.032
				26/08/2016	569	Transfer	545600	17.050
		545600	17.050	31/03/2017			545600	17.050
2	RADHA ANAND MENON	25026	0.782	01/04/2016		Nil movement during the year	25026	0.782
		25026	0.782	31/03/2017			25026	0.782

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2016 to 31.03.2017	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the Company				No of shares	% of total shares of the Company
3	NADIR BARJORJI GODREJ	2244	0.070	01/04/2016			2244	0.070
				08/04/2016	223	Transfer	2467	0.077
				22/04/2016	423	Transfer	2890	0.090
				29/04/2016	806	Transfer	3696	0.116
				06/05/2016	521	Transfer	4217	0.132
				27/05/2016	229	Transfer	4446	0.139
				03/06/2016	670	Transfer	5116	0.160
				30/06/2016	60	Transfer	5176	0.162
				29/07/2016	1500	Transfer	6676	0.209
				05/08/2016	2445	Transfer	9121	0.285
				12/08/2016	2904	Transfer	12025	0.376
				19/08/2016	1000	Transfer	13025	0.407
				26/08/2016	200	Transfer	13225	0.413
				30/09/2016	4853	Transfer	18078	0.565
				07/10/2016	11216	Transfer	29294	0.915
				14/10/2016	1888	Transfer	31182	0.974
				04/11/2016	305	Transfer	31487	0.984
				11/11/2016	220	Transfer	31707	0.991
				18/11/2016	1104	Transfer	32811	1.025
				09/12/2016	1314	Transfer	34125	1.066
				16/12/2016	1605	Transfer	35730	1.117
				23/12/2016	275	Transfer	36005	1.125
				30/12/2016	686	Transfer	36691	1.147
				06/01/2017	1868	Transfer	38559	1.205
				13/01/2017	720	Transfer	39279	1.227
				27/01/2017	2249	Transfer	41528	1.298
				03/02/2017	556	Transfer	42084	1.315
				10/02/2017	761	Transfer	42845	1.339
				17/02/2017	1500	Transfer	44345	1.386
				24/02/2017	1237	Transfer	45582	1.424
				03/03/2017	2072	Transfer	47654	1.489
				10/03/2017	1273	Transfer	48927	1.529
				17/03/2017	1000	Transfer	49927	1.560
		49927	1.560	31/03/2017			49927	1.560
4	NINA PAUL	22100	0.691	01/04/2016		Nil movement during the year	22100	0.691
		22100	0.691	31/03/2017			22100	0.691

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2016 to 31.03.2017	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the Company				No of shares	% of total shares of the Company
5	ENSEMBLE HOLDINGS AND FINANCE LIMITED	2000	0.063	01/04/2016			2000	0.063
				08/07/2016	367	Transfer	2367	0.074
				15/07/2016	1249	Transfer	3616	0.113
				22/07/2016	1311	Transfer	4927	0.154
				29/07/2016	2180	Transfer	7107	0.222
				05/08/2016	1739	Transfer	8846	0.276
				12/08/2016	1485	Transfer	10331	0.323
				19/08/2016	3909	Transfer	14240	0.445
				23/09/2016	992	Transfer	15232	0.476
				30/09/2016	1590	Transfer	16822	0.526
				07/10/2016	812	Transfer	17634	0.551
				28/10/2016	55	Transfer	17689	0.553
				18/11/2016	385	Transfer	18074	0.565
				25/11/2016	1122	Transfer	19196	0.600
				02/12/2016	2104	Transfer	21300	0.666
				30/12/2016	660	Transfer	21960	0.686
				13/01/2017	62	Transfer	22022	0.688
				20/01/2017	814	Transfer	22836	0.714
				27/01/2017	12	Transfer	22848	0.714
				10/02/2017	808	Transfer	23656	0.739
				03/03/2017	1544	Transfer	25200	0.788
				17/03/2017	4623	Transfer	29823	0.932
				24/03/2017	5796	Transfer	35619	1.113
		37330	1.167	31/03/2017	1711		37330	1.167
6	HORMAZD NADIR GODREJ	1350	0.042	01/04/2016			1350	0.042
				06/05/2016	714	Transfer	2064	0.065
				13/05/2016	985	Transfer	3049	0.095
				20/05/2016	930	Transfer	3979	0.124
				27/05/2016	651	Transfer	4630	0.145
				03/06/2016	600	Transfer	5230	0.163
				26/08/2016	903	Transfer	6133	0.192
				02/09/2016	2323	Transfer	8456	0.264
				09/09/2016	1874	Transfer	10330	0.323
				16/09/2016	1447	Transfer	11777	0.368
				30/09/2016	1000	Transfer	12777	0.399
				07/10/2016	2110	Transfer	14887	0.465
				11/11/2016	500	Transfer	15387	0.481

Contd...

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2016 to 31.03.2017	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the Company				No of shares	% of total shares of the Company
	HORMAZD NADIR GODREJ (Cont..)			02/12/2016	12	Transfer	15399	0.481
				03/02/2017	1286	Transfer	16685	0.521
				10/02/2017	1557	Transfer	18242	0.570
				17/02/2017	1000	Transfer	19242	0.601
				10/03/2017	255	Transfer	19497	0.609
				17/03/2017	3231	Transfer	22728	0.710
				24/03/2017	1000	Transfer	23728	0.742
		23728	0.742	31/03/2017			23728	0.742
7	SCMS INVESTMENT SERVICES PRIVATE LIMITED	22027	0.688	01/04/2016		Nil movement during the year	22027	0.688
		22027	0.688	31/03/2017			22027	0.688
8	MARY JOSE	18420	0.576	01/04/2016		Nil movement during the year	18420	0.576
		18420	0.576	31/03/2017			18420	0.576
9	SHANDY JOY	17800	0.556	01/04/2016		Nil movement during the year	17800	0.556
		17800	0.556	31/03/2017			17800	0.556
10	JAGDISHWAR T TOPPO	10440	0.326	01/04/2016			10440	0.326
				10/06/2016	100	Transfer	10540	0.329
				24/06/2016	200	Transfer	10740	0.336
				12/08/2016	310	Transfer	11050	0.345
				02/09/2016	1186	Transfer	12236	0.382
				09/09/2016	90	Transfer	12326	0.385
				21/10/2016	886	Transfer	13212	0.413
				04/11/2016	10	Transfer	13222	0.413
				11/11/2016	110	Transfer	13332	0.417
				18/11/2016	360	Transfer	13692	0.428
				25/11/2016	482	Transfer	14174	0.443
				02/12/2016	1170	Transfer	15344	0.480
				09/12/2016	120	Transfer	15464	0.483
				23/12/2016	28	Transfer	15492	0.484
				13/01/2017	275	Transfer	15767	0.493
				20/01/2017	482	Transfer	16249	0.508
				27/01/2017	445	Transfer	16694	0.522
				03/02/2017	555	Transfer	17249	0.539
		17249	0.539	31/03/2017			17249	0.539



**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2016 to 31.03.2017	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% 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	01/04/2016		Nil movement during the year	37238	1.164
		37238	1.164	31/03/2017			37238	1.164
2	A P George Executive Director	59776	1.868	01/04/2016			59776	1.868
				19/08/2016	-11000	Transfer	48776	1.524
		48776	1.524	31/03/2017			48776	1.524
3	P D Anto Non- Executive Director	10200	0.319	01/04/2016		Nil movement during the year	10200	0.319
		10200	0.319	31/03/2017			10200	0.319
4	Dr. K C Vijayaraghavan Non- Executive Director	46000	1.438	01/04/2016			46000	1.438
				10/02/2017	100	Transfer	46100	1.441
				03/03/2017	115	Transfer	46215	1.444
		46215	1.444	31/03/2017			46215	1.444
5	John Francis Non- Executive Director	18120	0.566	01/04/2016		Nil movement during the year	18120	0.566
		18120	0.566	31/03/2017			18120	0.566
6	T R Raghulal Non- Executive Director	29208	0.913	01/04/2016		Nil movement during the year	29208	0.913
		29208	0.913	31/03/2017			29208	0.913
7	Dr Jose Paul Thaliyath Independent Non- Executive Director	29517	0.922	01/04/2016		Nil movement during the year	29517	0.922
		29517	0.922	31/03/2017			29517	0.922
8	Joseph Xavier Independent Non- Executive Director	18077	0.565	01/04/2016		Nil movement during the year	18077	0.565
		18077	0.565	31/03/2017			18077	0.565

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year 01.04.2016 to 31.03.2017	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the Company				No of shares	% of total shares of the Company
9	Sathi A Menon Independent Non- Executive Director	0	0	01/04/2016		Nil holding/ movement during the year	0	0
		0	0	31/03/2017			0	0
10	Paul John Independent Non- Executive Director	4400	0.137	01/04/2016		Nil movement during the year	4400	0.137
		4400	0.137	31/03/2017			4400	0.137
11	Marykutty Varghese Non- Executive Director	10098	0.316	01/04/2016		Nil movement during the year	10098	0.316
		10098	0.316	31/03/2017			10098	0.316
B KEY MANAGERIAL PERSONS :								
1	R. Sankaranarayanan CFO & Company Secretary	2411	0.075	01/04/2016		Nil movement during the year	2411	0.075
		2411	0.075	31/03/2017			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	Fixed Deposits accepted (Unsecured)	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2016)</b>				
i) Principal Amount	236.06		903.93	1,139.99
ii) Interest due but not paid				
iii) Interest accrued but not due			95.12	95.12
<b>Total (i + ii + iii)</b>	<b>236.06</b>		<b>999.05</b>	<b>1,235.11</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	#2,780.46		306.85	3,087.31
• Reduction			289.87	289.87
<b>Net Change</b>	<b>2,780.46</b>		<b>16.98</b>	<b>2,797.44</b>
<b>Indebtedness at the end of the financial year (31.03.2017)</b>				
i) Principal Amount	3,016.52		920.91	3,937.43
ii) Interest due but not paid				
iii) Interest accrued but not due			105.03	105.03
<b>Total (i + ii + iii)</b>	<b>3,016.52</b>		<b>1,025.94</b>	<b>4,042.46</b>

# 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
		<b>M C Paul</b> (Managing Director)	<b>A.P. George</b> (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.95	20.74	52.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.27	0.21	2.48
	(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	3.20	2.07	5.27
	Provision for Gratuity	10.44		10.44
	Total (A)	47.86	23.02	70.88
	Ceiling as per the Act	₹ 253.43 lakhs (being 10% of net profits of the Company calculated as per Section 197 (1) read with Section 198 of the Companies Act, 2013)		

**B. Remuneration to other directors**

(₹ in lakhs)

Sl No.	Particulars of Remuneration	Name of Directors									Total Amount
		P D Anto	Dr K C Vijayaraghavan	John K Francis	T R Raghulal	Marykutty Varghese	Dr Jose Paul Thaliyath	Joseph Xavier	Sathish A Menon	Paul John	
1	Independent Directors										
	Fee for attending board and committee meetings	-	-	-	-	-	2.61	1.46	1.68	1.68	7.43
	Commission										
	Others, please specify										
	Total (1)	-	-	-	-	-	2.61	1.46	1.68	1.68	7.43
2	Other Non-Executive Directors										
	Fee for attending board and committee meetings	2.59	1.66	2.37	1.02	1.34	-	-	-	-	8.98
	Commission										
	Others										
	Total (2)	2.59	1.66	2.37	1.02	1.34	-	-	-	-	8.98
	Total (B)=(1 + 2)	2.59	1.66	2.37	1.02	1.34	2.61	1.46	1.68	1.68	16.41
	Total Managerial Remuneration (A) + (B)	₹ 87.29 lakhs (Including sitting fee of ₹ 16.41 lakhs paid to Non-executive Directors to be excluded for the purpose of overall ceiling as per the Act)									
	Overall Ceiling as per the Act	₹ 278.77 lakhs (being 11% of the net profits of the Company calculated as per Section 197 (1) read with Section 198 of the Companies Act, 2013)									

**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	28.77
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.56
	(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	2.56
	Total	33.89

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**“ANNEXURE G” TO BOARD’S REPORT**

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

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

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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 referred as the company) with Corporate Identity No L15331KL1963PLC002028. The 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 31<sup>st</sup> March 2017 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 31<sup>st</sup> March 2017 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 Agreement 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 52<sup>nd</sup> Annual General Meeting held on 31<sup>st</sup> August, 2016;
  - 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 dividend;
  - 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 Board's 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 : 30.05.2017

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 2016-17 is as follows:**

Sl. No.	Name of Director	Total Remuneration (₹ in lakhs)	Ratio of remuneration of director to the Median remuneration
<b>Non- executive Directors</b>			
1	P D Anto	2.59	0.83
2	Dr K C Vijayaraghavan	1.66	0.53
3	John Francis K	2.37	0.76
4	T R Ragulal	1.02	0.33
5	Dr. Jose Paul Thaliyath	2.61	0.84
6	Joseph Xavier	1.46	0.47
7	Sathi A Menon	1.68	0.54
8	Paul John	1.68	0.54
9	Marykutty Varghese	1.34	0.43
<b>Executive Directors</b>			
1	M C Paul	47.86	15.41
2	A P George	23.02	7.41

**B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2016-17 are as follows:**

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2016-17	2015-16	
1	M C Paul	Managing Director (See Note 1 below)	47.86	37.95	26.11
2	A P George	Executive Director (See Note 2 below)	23.02	13.20	74.39
3	P K Varghese	Executive Director (up to 12.07.2015)	—	11.29	—
4	P D Anto	Non- executive Director	2.59	2.55	1.57
5	Dr K C Vijayaraghavan	Non- executive Director	1.66	1.65	0.61
6	John K Francis	Non- executive Director	2.37	1.95	21.54
7	T R Ragulal	Non- executive Director (See Note 3 below)	1.02	0.50	104.00
8	Marykutty Varghese	Non- executive Director (See Note 4 below)	1.34	0.70	91.43
9	Dr. Jose Paul Thaliyath	Non- executive and Independent Director	2.61	2.60	0.38
10	Joseph Xavier	Non- executive and Independent Director	1.46	1.50	-2.67
11	Sathi A Menon	Non- executive and Independent Director	1.68	1.65	1.82
12	Paul John	Non- executive and Independent Director	1.68	1.65	1.82
13	R. Sankaranarayanan	CFO and Company Secretary	33.89	32.21	5.22

1. The remuneration of Mr. M.C. Paul has been enhanced with effect from 01.01.2017 by the Board, subject to approval of shareholders in General Meeting by Special Resolution, and the gratuity has been provided on the enhanced remuneration.
2. Sri A.P. George was in receipt of professional fees and sitting fees only until he was appointed as Executive Director with effect from 01.10.2015.
3. Compared to previous year, the sitting fees paid to Mr. T.R. Ragulal has improved due to increase in attendance of meetings.
4. Mrs. Marykutty Varghese was appointed as Additional Director of the Company with effect from 01.10.2015 and her remuneration for year 2015-16 shown above was only for a part of that year.



**C. The percentage increase in the median remuneration of employees in the financial year : 17.57 %.**

**D. The number of permanent employees on the rolls of Company: 889 as on 31.03.2017.**

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

The average annual increase in salaries was around 19.67 %.

The increase in managerial remuneration for the year was 10.77 %.

Effective from 13th January, 2017 The sitting fee payable to each of the Non-Executive Directors has been enhanced from ₹ 10,000 to ₹ 12,000 per Board Meeting attended and from ₹ 5000 to ₹ 7000 for Committees thereof attended by them.

The increase in remuneration of Mr. M.C. Paul is due to revision of his remuneration with effect from 01.01.2017 by the Board, subject to approval of shareholders in General Meeting by Special Resolution, and the consequent effect thereof in the provision for gratuity based on the enhanced remuneration including that for the past services.

The increase in remuneration of Mr. A.P. George compared to previous year is that he had acted as Executive Director of the Company only for a part of the year in 2015-16 and he was in receipt of professional fees and sitting fees only until he was appointed as Executive Director with effect from 01.10.2015.

Increase in the remuneration of CFO and Company Secretary was 5.22 %.

Mr. John K. Francis has been nominated by the Board as a member to the Management Committee with effect from 22.09.2015 and he was in receipt of sitting fees for attending to the meetings of Management Committee from that date only. Hence in year 2015-16 he was in receipt of sitting fees for attending Management Committee only for a part of the year, whereas for the year 2016-17 he was a member of that Committee for the whole year.

Mr. T.R. Ragulal attended more meetings and based on his attendance, he received more sitting fees compared to previous year.

Ms. Marykutty Varghese was appointed with effect from 01.10.2015 as a Director of the Company and she was in receipt of sitting fees only for the rest of the period upto 31.03.2016 in year 2015-16. In year 2016-17 she was in receipt of sitting fees for the whole year.

The increase in managerial remuneration is normal and in line with local industrial standards.

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

No variable component of remuneration is availed by the Directors.

**G. 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.

**H. 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 2016-17 and were paid remuneration not less than ₹ 102 lakhs per annum:**

None of the employees of the Company were paid remuneration exceeding ₹ 102 lakhs per annum.

**2. Employees employed for the part of the year and were paid remuneration during the financial year 2016-17 at a rate which in aggregate was not less than ₹ 8.50 lakhs per month:**

None of the employees employed for part for the year were paid remuneration exceeding ₹ 8.50 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. In March, 2017 we have commissioned 850 KW windmill at Palayam, Karur District, Tamil Nadu at a cost of ₹ 5.37 crores. The energy produced by the wind mill will be wheeled and utilised in Swaminathapuram and Thalayuthu Units and excess energy generated in peak season will be banked and utilised later on in the above Units. This will help us to reduce the energy cost in both Plants considerably.

#### 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

	2016-2017 ₹ in lakhs	2015-2016 ₹ in lakhs
Foreign Exchange Earnings	1.40	Nil
Foreign Exchange Outgo	8,971.84	7,049.24

## 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 31.03.2017, number of Board Meetings attended by them during the financial year 2016-17, 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 31.08.2016	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	11	Present	—	—	—	—
3	Mr. A.P. George, Executive Director	Executive	48,776	12	Present	1	—	—	—
4	Mr. P.D. Anto Director	Non-Executive	10,200	12	Present	—	—	—	—
5	Mr. John Francis K. Director	Non-Executive	18,120	12	Present	—	—	—	—
6	Dr. K.C. Vijayaraghavan Director	Non-Executive	46,215	12	Present	—	—	—	—
7	Mr. T.R. Ragulal Director	Non-Executive	29,208	7	Present	—	—	—	—
8	Mr. Joseph Xavier Director	Non-Executive Independent	18,077	11	Present	—	—	—	—
9	Mrs. Sathi A. Menon Woman Director	Non-Executive Independent	Nil	12	Present	—	—	—	—
10	Mr. Paul John Director	Non-Executive Independent	4,400	12	Present	—	—	—	—
11	Marykutty Varghese Woman Director	Non-Executive	10,098	11	Present	—	—	—	—

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

During the year 2016-2017, the Board met 12 times on the following dates:

Sl. No.	Date	Sl. No.	Date	Sl. No.	Date	Sl. No.	Date
1	28 <sup>th</sup> April, 2016	4	28 <sup>th</sup> July, 2016	7	25 <sup>th</sup> October, 2016	10	12 <sup>th</sup> January, 2017
2	30 <sup>th</sup> May, 2016	5	12 <sup>th</sup> August, 2016	8	12 <sup>th</sup> November, 2016	11	14 <sup>th</sup> February, 2017
3	30 <sup>th</sup> June, 2016	6	6 <sup>th</sup> September, 2016	9	20 <sup>th</sup> December, 2016	12	28 <sup>th</sup> March, 2017

for the details of the familiarisation programmes imparted to Independent Directors please visit "[www.kselimited.com](http://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 them 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 five times in the year 2016-17 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
27/05/2016	Present	Present	Present	Present
28/07/2016	Present	Present	Present	Present
11/08/2016	Present	Present	Present	Present
10/11/2016	Present	Present	Present	Present
13/02/2017	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 2016-17 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
06/09/2016	Present	Present	Present	Present
05/01/2017	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 2016-17 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	45.59	2.27	—	—	47.86
2	Mr. A.P. George	Executive Director	22.81	0.21	—	—	23.02
3	Dr. Jose Paul Thaliyath	Director & Chairman	—	—	—	2.61	2.61
4	Mr. P.D. Anto	Director	—	—	—	2.59	2.59
5	Dr. K.C. Vijayaraghavan	Director	—	—	—	1.66	1.66
6	Mr. John Francis K.	Director	—	—	—	2.37	2.37
7	Mr. T.R. Ragulal	Director	—	—	—	1.02	1.02
8	Mr. Joseph Xavier	Director	—	—	—	1.46	1.46
9	Mrs. Sathi A. Menon	Director	—	—	—	1.68	1.68
10	Mr. Paul John	Director	—	—	—	1.68	1.68
11	Mrs. Marykutty Varghese	Director	—	—	—	1.34	1.34
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. P.D. Anto is the Chairman of the Committee. 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 2016-17, one complaint was received from shareholders which was resolved. 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 2016-17 and it was attended as follows:

Date of Meeting	Mr. A.P. George	Mr. P.D. Anto	Mr. T.R. Ragulal	Mrs. Marykutty Varghese
30/05/2016	Present	Present	Present	Present
12/08/2016	Present	Present	Present	Present
12/11/2016	Present	Present	Present	Present
14/02/2017	Present	Present	Leave of Absence	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 31<sup>st</sup> March, 2017, 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
03/08/2016	Present	Present	Present	Present
10/11/2016	Present	Present	Present	Present
20/12/2016	Present	Present	Present	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
50 <sup>th</sup> Annual General Meeting	25 <sup>th</sup> September, 2014	3.00 p.m.	KSE Limited, Registered Office, Solvent Road, Irinjalakuda, Thrissur District, Kerala- 680121
51 <sup>st</sup> Annual General Meeting	19 <sup>th</sup> September, 2015	3.00 p.m.	
52 <sup>nd</sup> Annual General Meeting	31 <sup>st</sup> August, 2016	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
50 <sup>th</sup> AGM	<ol style="list-style-type: none"> <li>1. Approval for acceptance of deposits from public/members pursuant to Section 73 and 76 of the Companies Act, 2013 and Rules made thereunder</li> <li>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</li> <li>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</li> <li>4. Reappointment of Mr. M.C. Paul as Managing Director for a period of three years and fixing his remuneration.</li> <li>5. Amendment to Articles of Association to bring it in line with the provisions of the Companies Act, 2013</li> </ol>
51 <sup>st</sup> AGM	No special resolutions passed
52 <sup>nd</sup> AGM	Appointment of Mr. A.P. Geroge as Executive Director for a period of three years and fixing his remuneration with effect from 01.10.2015.

No resolution was passed through Postal Ballot. For the 50<sup>th</sup> and 51<sup>st</sup> 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. In the 52<sup>nd</sup> Annual General Meeting, in addition to the facility of remote e-voting, facility to cast vote by ballot paper at the venue of the meeting was also provided for all resolutions to be passed in the meeting. The voting pattern of the said meeting is provided in the Companies web-site "[www.kselimited.com](http://www.kselimited.com)" under investor relations.

In the 53<sup>rd</sup> 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 53<sup>rd</sup> Annual General Meeting attached to the Annual Report for the year 2016-17. No resolution is proposed to be conducted through postal ballot in the ensuing 53<sup>rd</sup> 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](http://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](http://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](http://www.kselimited.com).

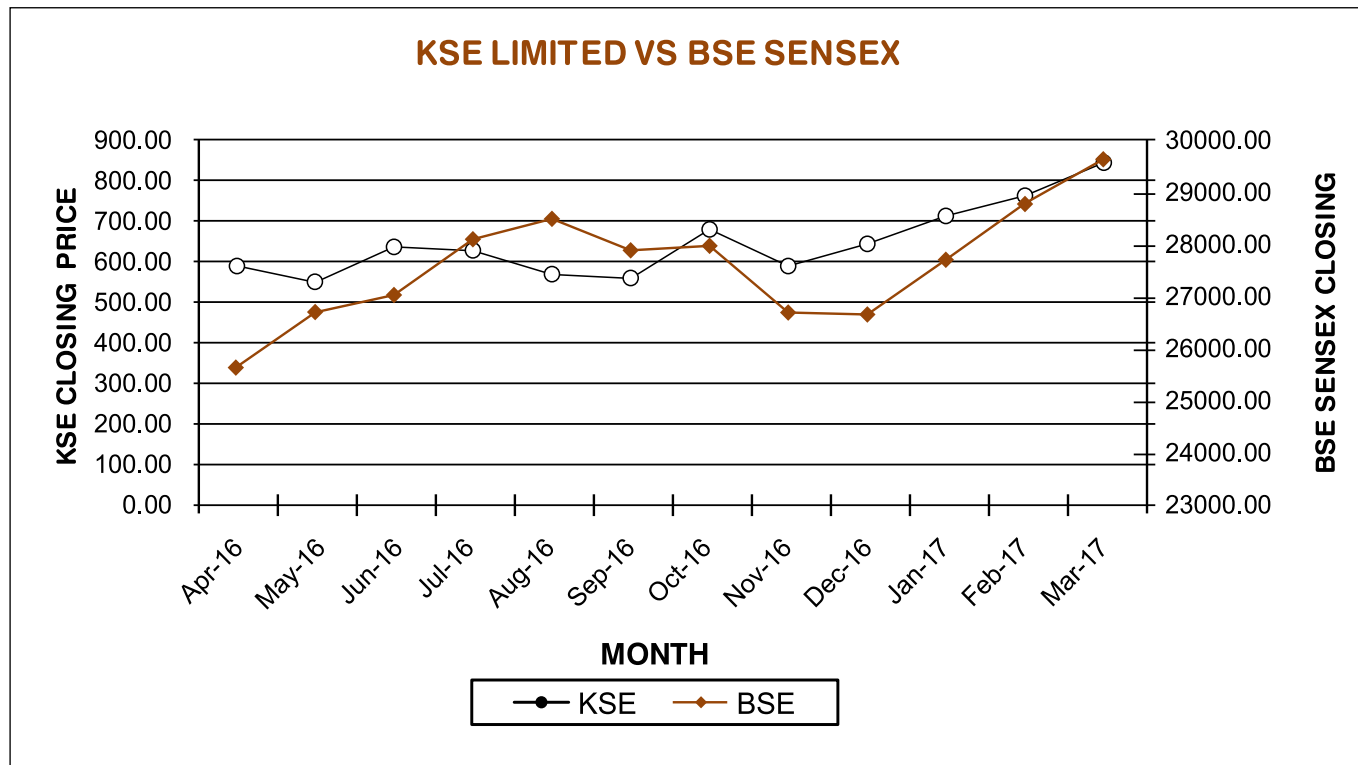


**10. General Shareholder Information**

- a) AGM - Date, time and venue Thursday, 31<sup>st</sup> August, 2017 at 3.00 p.m.  
KSE Limited, Registered Office,  
Solvent Road, Irinjalakuda - 680 121.
- b) Financial Year 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018  
Unaudited Results for First Quarter On or before 14<sup>th</sup> August, 2017  
Unaudited Results for Second Quarter On or before 14<sup>th</sup> November, 2017  
Unaudited Results for Third Quarter On or before 14<sup>th</sup> February, 2018  
Audited Results for year ending 31<sup>st</sup> March 2017 On or before 30<sup>th</sup> May, 2018
- c) Dividend Payment Date Dividend of ₹ 30 per equity share of ₹ 10 each has been recommended for the year 2016-17 by the Board of Directors at its meeting held on 30<sup>th</sup> May, 2017 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be paid/ dispatched after 31<sup>st</sup> August, 2017 as follows:
1. in respect of the shares in physical form, to those Members, whose names appear in the Register of Members as on 31<sup>st</sup> August, 2017, after giving effect to all valid share transfers in physical form lodged on or before 24<sup>th</sup> August, 2017.
  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 24<sup>th</sup> August, 2017.
- Book Closure Date 25<sup>th</sup> August, 2017 to 31<sup>st</sup> August, 2017  
(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 2017-18.
- 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 31<sup>st</sup> March, 2017 are given below:

Month	High ( ₹ )	Low ( ₹ )	Volume (nos.)
April, 2016	618.00	537.25	8682
May, 2016	597.75	524.50	14662
June, 2016	657.60	511.00	25754
July, 2016	650.00	612.00	18628
August, 2016	654.85	497.25	33379
September, 2016	604.85	530.00	24597
October, 2016	700.00	550.00	29728
November, 2016	690.00	572.00	14254
December, 2016	649.00	585.00	9129
January, 2017	725.00	635.00	11170
February, 2017	815.00	690.00	37075
March, 2017	854.00	728.60	31812

- g) The Chart below shows the performance of your Company's share price in comparison with BSE Sensex during the financial year 2016-17 based on month end closing:



- h) Trading

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

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

M/s. S.K.D.C. Consultants Limited  
 Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1,  
 Sathy Road, Ganapathy, Coimbatore - 641 006.

Telephone : 0422 4958995, 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 <sup>st</sup> March, 2017			
	No. of Folios	%	No. of Shares	%
1 to 500	4431	88.48	495722	15.49
501 to 1000	199	3.97	153004	4.78
1001 to 5000	276	5.51	589175	18.41
5001 to 10000	40	0.80	275252	8.60
10001 and above	62	1.24	1686847	52.72
Total	5008	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 31.03.2017 are the following:

DEPOSITORY	As at 31 <sup>st</sup> March, 2017	
	No. of Shares	%
NSDL	19,12,790	59.78
CDSL	4,85,305	15.16
Total Demat	23,98,095	74.94

## 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. 30.7 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 12<sup>th</sup> 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 12<sup>th</sup> August, 2014, which is placed in the website of the Company “[www.kselimited.com](http://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, 2017

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 31<sup>st</sup> March, 2017.

Irinjalakuda  
May 30, 2017

By Order of the Board  
Sd/-

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry Structure and Development

In the Animal feed division, the cost of ingredients for animal feed was steeply going up for the first seven months of year 2016-17. To combat the situation, we had to resort to several rounds of corrections in the selling price of feed. Then the price of raw materials started to ease and after December, 2016 is more or less steady. The Animal feed Division reported losses for the first half of year 2016-17 and had thereafter improved the margins recouping the losses accumulated in the first half. Despite the ups and downs, the demand for our feed is growing and we are making arrangements to meet the additional demands. 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 2016-17 continued below ₹ 80/kg. till August, 2016 and slowly started rising and is at present around ₹ 120/kg. We could import sizable quantity of copra cake at competitive rates during the year under report. The local arrival of copra cake was severely affected due to fall in yield of coconut in Kerala and Tamil Nadu. However, the local price of copra cake was under control with the help of imports at reasonable rates. The cake processing division performed well throughout the year with reasonable margin.

In Dairy division though we could improve the volume of milk and ice cream, the margins on both front were under severe strain. In February, 2017, the milk price has been increased by 10 % by the Government of Kerala, which assures slight relief for the time being. We are taking all steps to further improve sales volume of ice cream and are taking steps to cut short the sale of unprofitable varieties on a continuous basis. By improving the sales volume of ice cream, we aim at increasing the capacity utilisation. New markets for ice cream are being explored by appointing new dealers at nearby towns which has started yielding results.

### 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 44 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 in 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/GST on ice cream will take away the margin on sale of ice cream.

### 3. Segmentwise Productwise Performance

In year 2016-17, the feed sales improved from 4.49 lakh tons of last year to 4.65 lakhs tons. We hopefully believe that we can cross the 5.00 lakhs tons mark in the coming year, based on the current level of demand for our feed. During the first two quarters of year 2016-17 the feed division was under strain due to steep increase in ingredient cost, but could recover thereafter, when the price of ingredients eased remarkably. Ultimately, the Animal Feed Segment could report a profit of ₹ 938.13 lakhs for the year 2016-17 compared to a profit of ₹ 212.63 lakhs in the preceding year.

In the Oil cake processing division, the processing volume improved from 87,400 tonnes in the previous year to 92,250 tonnes in the financial year 2016-17. We could import sizable quantity of copra cake during year 2016-17 at very reasonable cost. The local supply of cake was limited, but the price of local cake was steady and normal. The price of coconut oil regained from below ₹ 80/kg. levels in the beginning of the year to around ₹ 120/kg., in the last quarter of year 2016-17. As the price of cake moved between a short band around ₹ 20,000 per ton throughout the year and the coconut oil price improved in the second half of the year, this Segment could generate a profit of ₹ 1580.95 lakhs compared to a profit of ₹ 951.86 lakhs in the previous year.

Dairy division reported a profit of ₹ 83.07 lakhs compared to a profit of ₹ 161.68 lakhs in the previous year. The volume of sale of ice cream has improved by about 17 % to 1135 kl compared to previous year figure of 973 kl. The margin on sale of milk was a relief in the adverse situations and helped to maintain the Dairy Division in the positive. We are giving utmost attention for improving the utilisation of capacities in Konikkara, Thalayuthu and Vedagiri ice cream units and turn around the ice cream business into profits.

#### 4. Outlook

From January, 2017, the feed ingredient prices are stable and hence the feed division is generating reasonable profits. The surge in demand for our feed is welcoming in such scenario as it will improve the capacity utilisation and plough in more revenue. We are making appropriate revisions in the selling price according to the ingredient prices keeping in consideration all the related situations. The recent increase in the milk price by Kerala Government is expected to boost the cattle farming and thereby improve the demand for our feed. The selling price of coconut oil around ₹ 120/kg. and cake price around ₹ 20,000 per ton is consoling and encouraging. Imports of cake can be looked up on as price of imported copra cake is steady and the quality also is better than earlier. Giving consideration to all these, we reasonably expect a satisfactory performance in the Animal feed division and the Oil cake processing division in year 2017-18 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 2017-18. We are hopeful of reaping the benefits of recent upward revision in milk prices by Kerala Government since it is flush season for milk at present and milk is available at viable rates. The Dairy division is expected to perform better in the year 2017-18 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 and generate more revenue in the Dairy division.

#### 5. Risks and Concerns

We are mainly depending on materials from northern States moved by rail for manufacturing the Animal Feed. Prediction of early monsoon and above average rain lifts our hopes that the price of ingredients to feed will be cool, supported by good crop. 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 is at reasonable levels and can be depended in case of need. It will be encouraging, if the price of coconut oil is steady above ₹ 120/kg. levels. 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 by 13.20 % compared to the small increase of 2.80 % in the previous year. All most all the operational volumes has improved in year 2016-17. The after tax profits of the Company improved to ₹ 1561.63 lakhs as against ₹ 758.07 lakhs in the year 2016-17.

The sale of cattle feed, in quantity terms, improved by 3.50 % compared to previous year and the animal feed division generated a profit of ₹ 938.13 lakhs compared to previous year figure of ₹ 212.63 lakhs. We could process 92250 tons of copra cake in year 2016-17 as against 87,400 tons of copra cake in the previous year. The selling price of coconut oil was also firm for the second half of the year under report which moved to around ₹ 120 /kg in the last quarter. The procurement price of coconut oil cake remained more or less at the same levels around ₹ 20,000 per ton. The Oil cake processing division could make a profit of ₹ 1,580.95 lakhs as against a profit of ₹ 951.86 lakhs in the previous year. The volume of sales of ice cream also improved by 17 % to 1135 kl. in year 2016-17 compared to 973 kl. in the previous year, by effective marketing, even though the margins was under strain. The availability of margin in milk sales helped to keep the Dairy division within profits at ₹ 83.07 lakhs compared to previous year profit of ₹ 161.68 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 31.3.2017. 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 2016-17. The long term settlements for a period of three years have been signed with the employees of Irinjalakuda, Konikkara and Thalayuthu Units effective from 1<sup>st</sup> April, 2016, from 1<sup>st</sup> June, 2015 and from 1<sup>st</sup> August, 2015 respectively. Negotiation with Unions for similar long term settlements is in progress or has fallen due in relation to Swaminathapuram, Vedagiri, Palakkad and Koratty Units from 01-05-2017, 01-04-2017, 01-08-2016 and 01-01-2017 respectively. The management is confident that amicable settlement can be arrived at in all these negotiations. The management continues to maintain cordial industrial relation with its employees in all Units and is attending to their grievances with an open mind.

## 9. Caution

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

Irinjalakuda  
May 30, 2017

By Order of the Board

Sd/-

**Dr. Jose Paul Thaliyath**  
(DIN : 01773031)

Chairman

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of KSE Limited  
Irinjalakuda

We have examined the compliance of conditions of Corporate Governance by KSE Limited ("the Company") for the year ended 31st March 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Compliance of the conditions of Corporate Governance is 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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

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 specified in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2), and paragraphs C, D and E of Schedule V of the 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.

Thrissur  
May 30, 2017

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

Sd/-

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

Chartered Accountants



## INDEPENDENT AUDITORS' REPORT

To

The Members of KSE Limited  
Irinjalakuda

### Report on the Financial Statements

We have audited the accompanying financial statements of KSE Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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 thereunder. 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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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 30.1 and 30.2 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.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 30.6 to the financial statements.

Thrissur  
May 30, 2017

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 31<sup>st</sup> March 2017 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)
Central Excise Act, 1948	Central Excise Duty	34.52	Fin. years 2014-15, 2015-16 and 2016-17	The Company is in the process of filing an appeal before the Commissioner (Appeals).
Customs Act, 1962	Customs duty (excluding interest)	45.07	F.Y. 2008-09	The Company is in the process of filing an appeal before the Hon. High Court of Kerala.
Customs Act, 1962	Customs duty (excluding interest)	1.98	F.Y. 2009-10	

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. Necessary approval for increase in remuneration of Managing Director ₹ 1,18,800 and Executive Director ₹ 1,74,240 is being sought for at the ensuing Annual General Meeting. 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 of such transactions have been disclosed in Note 30.7 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. The Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the relative reporting requirement is not applicable.
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, 2017

## 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, 2017 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, 2017, 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.

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

Sd/-

(C. Pankajakshan, M. No. 12948)  
Partner  
Chartered Accountants

Thrissur  
May 30, 2017

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017

		Note No.	As at 31.03.2017 ₹ in lakhs		As at 31.03.2016 ₹ in lakhs	
<b>I EQUITY AND LIABILITIES</b>						
1.	Shareholders' funds					
	a) Share Capital	2	<b>320.00</b>		320.00	
	b) Reserves and Surplus	3	<b>8,410.48</b>	<b>8,730.48</b>	6,848.85	7,168.85
2.	Non-current liabilities					
	a) Long-term borrowings	4	<b>669.83</b>		617.31	
	b) Long-term provisions	5	<b>57.69</b>	<b>727.52</b>	47.25	664.56
3.	Current liabilities					
	a) Short-term borrowings	6	<b>3,021.86</b>		243.87	
	b) Trade payables	7				
	(i) total outstanding dues of micro enterprises and small enterprises		<b>4.55</b>		2.70	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		<b>746.84</b>		799.40	
	c) Other current liabilities	8	<b>2,263.39</b>		1,839.97	
	d) Short-term provisions	9	<b>179.20</b>	<b>6,215.84</b>	839.44	3,725.38
TOTAL				<b>15,673.84</b>		<b>11,558.79</b>
<b>II ASSETS</b>						
1.	Non-current assets					
	a) Fixed Assets					
	i) Tangible assets (Property, Plant & Equipments)	10	<b>2,889.94</b>		2,497.32	
	ii) Intangible assets	11	<b>1.45</b>		1.68	
	iii) Capital work-in-progress	12	<b>5.72</b>	<b>2,897.11</b>	28.09	2,527.09
	b) Non-current Investments	13		<b>2.50</b>		2.50
	c) Deferred tax asset	14		<b>56.34</b>		73.88
	d) Long-term loans and advances	15		<b>164.22</b>		153.13
2.	Current assets					
	a) Current Investments	16	<b>3,500.00</b>		—	
	b) Inventories	17	<b>7,432.00</b>		7,299.72	
	c) Trade receivables	18	<b>10.83</b>		8.92	
	d) Cash and cash equivalents	19	<b>1,140.11</b>		1,043.97	
	e) Short-term loans and advances	20	<b>460.12</b>		437.76	
	f) Other current assets	21	<b>10.61</b>	<b>12,553.67</b>	11.82	8,802.19
TOTAL				<b>15,673.84</b>		<b>11,558.79</b>
Significant accounting policies		1				
Additional Information		30				

**The accompanying notes are an integral part of the financial statements**

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

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

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

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

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

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

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

May 30, 2017

**John Francis K.**  
Director (DIN : 00107016)      Sd/-

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

Particulars	Note No.	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
<b>REVENUE</b>			
<b>Revenue from operations</b>			
Sale of products		<b>104,746.04</b>	92,511.65
Less : Excise duty		<b>21.51</b>	18.19
Other income	22	<b>199.25</b>	229.99
Total Revenue		<b>104,923.78</b>	92,723.45
<b>EXPENSES</b>			
Cost of Materials consumed	23	<b>90,537.66</b>	80,320.38
Changes in inventories of finished goods	24	<b>(353.00)</b>	(170.18)
Employee benefits expense	25	<b>4,265.09</b>	3,695.93
Finance costs	26	<b>201.53</b>	131.34
Depreciation and amortisation expense	27	<b>328.06</b>	426.88
Other expenses	28	<b>7,501.91</b>	7,093.02
Total expenses		<b>102,481.25</b>	91,497.37
Profit before exceptional and extraordinary items and tax		<b>2,442.53</b>	1,226.08
Exceptional items		—	—
Profit before extraordinary items and tax		<b>2,442.53</b>	1,226.08
Extraordinary items		—	—
Profit before tax		<b>2,442.53</b>	1,226.08
Tax Expenses			
Current tax		<b>875.00</b>	540.00
Relating to earlier years (net)		<b>(11.64)</b>	(22.93)
Deferred tax		<b>17.54</b>	(49.06)
		<b>880.90</b>	468.01
<b>Profit for the year</b>		<b>1,561.63</b>	758.07
Basic and diluted earnings per equity share (₹)	29	<b>48.80</b>	23.69
Nominal value per equity share (₹)		<b>10.00</b>	10.00
Significant accounting policies	1		
Additional Information	30		

**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, 2017

**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 31<sup>ST</sup> MARCH, 2017

Particulars	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	2,442.53	1,226.08
Adjustments for:		
Depreciation and amortisation	328.06	426.88
Finance costs	201.53	131.34
Interest income from banks	(7.21)	(13.16)
Provision for employee benefits - Gratuity (gross - undiscounted)	10.44	3.40
Excess provision for doubtful advances written back	(4.00)	—
Dividend income	—	(1.23)
Car transferred without consideration in cash	—	6.10
Bad debts written off	6.10	—
Irrecoverable advances written off	4.49	—
Sundry balances no more payable written back	(14.92)	—
Advances received from customers no more payable written back	(30.30)	—
Profit on sale of current investments	(71.14)	(120.45)
(Profit) / Loss on sale of fixed assets	2.40	(27.20)
Operating profit before working capital changes	2,867.98	1631.76
Adjustments for:		
Inventories	(132.28)	(699.06)
Trade receivables, loans & advances and other current assets	(37.33)	52.76
Trade payables, other current liabilities and provisions	433.76	(810.59)
Cash generated from operations	3,132.13	174.87
Income-tax paid	753.31	701.23
Net cash from / (used in) operating activities (a)	2,378.82	(526.36)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(700.10)	(225.21)
Sale of fixed assets	0.12	37.65
Advance for purchase of fixed assets	(9.40)	(16.00)
Purchase of investments	(8,700.00)	(6,303.66)
Redemption of investments	5,271.14	6424.11
Interest income from banks	10.20	16.27
Dividend income	—	1.23
Net cash used in investing activities (b)	(4128.04)	(65.61)
		Cont ..



Particulars	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
<i>Cont ..</i>		
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds /(repayment) of short-term bank borrowings	<b>2,780.46</b>	(576.72)
Acceptance of public deposits	<b>306.85</b>	382.13
Repayment of public deposits	<b>(289.87)</b>	(401.53)
Finance costs	<b>(191.62)</b>	(157.09)
Dividends paid (including dividend distribution tax)	<b>(760.46)</b>	(1,388.60)
Net cash from / (used in) financing activities (c)	<b>1,845.36</b>	(2,141.81)
<b>D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a) + (b) + (c)</b>	<b>96.14</b>	(2,733.78)
Cash and cash equivalents at the beginning of the year	<b>1,043.97</b>	3,777.75
Cash and cash equivalents at the close of the year - <i>Refer Note No. 19</i>	<b>1,140.11</b>	1,043.97
<b>E NET INCREASE / (DECREASE) AS DISCLOSED ABOVE</b>	<b>96.14</b>	(2,733.78)
Significant accounting policies - <i>See Note No. 1</i>		

Note : Cash and cash equivalents include ₹ 105.70 lakhs (Previous year ₹ 95.87 lakhs) under unpaid dividend account with Banks, ₹ 81.00 lakhs (Previous year ₹ 110 lakhs) under deposit repayment reserve account and ₹ 5.02 lakhs (Previous year ₹ 4.74 lakhs) as margin money deposits against bank guarantees which are not available for immediate use.

<b>Jose Paul Thaliyath</b> Chairman (DIN : 01773031)	Sd/-	<b>M.C. Paul</b> Managing Director (DIN : 00105776)	Sd/-	As per our report of even date attached
		<b>A.P. George,</b> Executive Director (DIN : 00106808)	Sd/-	For <b>VARMA &amp; VARMA</b> (Firm No. 004532 S)
<b>R. Sankaranarayanan</b> Chief Financial Officer and Company Secretary	Sd/-	<b>P.D. Anto</b> Director (DIN : 00106965)	Sd/-	Sd/- <b>C. Pankajakshan</b> (M. No. 12948)
May 30, 2017		<b>John Francis K.</b> Director (DIN : 00107016)	Sd/-	Partner Chartered Accountants

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 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) *Tangible Assets (Property, Plant and Equipments)* : 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. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

- (b) *Intangible Assets* : Intangible Assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

- (c) *Impairment Loss* : 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 Tangible 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. Capital Spares are depreciated based on useful life of each replaced part. 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:**

(a) *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.

(b) *In the nature of Revenue* : Grants/Subsidies in the nature of revenue are recognized as income over the period necessary to match them with the related costs which they are intended to compensate.

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*

A Group Gratuity Trust under the name "KSE Employee's Group Gratuity Fund Trust" has been formed, which manages the funds transferred to the Trust by the Company for meeting its gratuity liability estimated by actuarial valuation and the payment of gratuity on retirement of the employees of the Company. The Trust has taken a policy under the 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 of the Company. 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) **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. Contingent assets are neither recognised nor disclosed in the accounts.

xv) **Segment Reporting:** The Company's reportable segments (business segments) have been identified as (a) Animal Feed Division (b) Oil Cake Processing Division, which includes vegetable oil refining also 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. Income and expenses, which are not directly attributable to any of the reportable business segments, are shown as unallocated income/unallocated expenses. Assets and liabilities that cannot be allocated between the segments including assets and liabilities of segments, which are not identified as reportable segments, are shown as part of unallocated assets/unallocated liabilities. Inter segment transfer of processed materials are accounted on the basis of the estimated realisable value of such goods.

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 31.03.2017		As at 31.03.2016	
		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 ₹ 30 per equity share of ₹ 10 each, subject to approval of shareholders at the ensuing annual general meeting.

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 31.03.2017		As at 31.03.2016	
	Number of shares	% of holding	Number of shares	% of holding
PJD Properties and Investments P. Ltd.	5,45,600	17.05%	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 31.03.2017 ₹ in lakhs		As at 31.03.2016 ₹ 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	5,600.00		5,500.00	
Add : Transfer from Surplus	200.00	5,800.00	100.00	5,600.00
Gratuity Reserve		154.97		154.97
Surplus				
Balance at the beginning of the year	850.46		962.68	
Add : Profit for the year	1,561.63		758.07	
Less : Transfer to General Reserve	(200.00)		(100.00)	
Less : Proposed Dividend	—		(640.00)	
Less : Dividend distribution tax	—	2,212.09	(130.29)	850.46
Total		8,410.48		6,848.85

Note 3.1 The Board of Directors of the company has proposed final dividend of ₹ 30 per share, which is subject to approval by the share holders at the ensuing Annual General Meeting. The total proposed dividend for the year ended 31st March, 2017 amounts to ₹ 1,155.43 lakhs, including dividend distribution tax of ₹ 195.43 lakhs. In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016) proposed dividend for the year and corporate dividend tax due thereon has not been recognised as a distribution of profit in the current year's accounts.

### 4. LONG TERM BORROWINGS

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Public Deposits - Unsecured	669.83	617.31

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 31.03.2017 ₹ in lakhs	Balance as on 31.03.2016 ₹ in lakhs
(a) One year	8.00 % p.a.	5.34	3.47
(b) One year	9.00 % p.a.	—	4.34
(c) Two years	9.00 % p.a.	12.13	0.10
(d) Two years	10.00 % p.a.	2.63	20.31
(e) Three years	10.00 % p.a.	458.05	169.63
(f) Three years	11.00 % p.a.	442.76	706.08
Total		920.91	903.93

Note 4.3 Public Deposits include deposits accepted from Directors ₹ 2.75 lakhs (Previous year ₹ 2.23 lakhs) on the same terms and conditions as applicable to other depositors.

## 5. LONG TERM PROVISIONS

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Provision for employee benefits - Gratuity (gross - undiscounted) - See Note 1. xi	57.69	47.25

## 6. SHORT TERM BORROWINGS

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Loans repayable on demand from Banks - Secured		
- Cash credit	3016.52	236.06
Public Deposits - Unsecured	5.34	7.81
Total	3,021.86	243.87

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 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Total outstanding dues of micro enterprises and small enterprises	4.55	2.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	746.84	799.40
Total	751.39	802.10

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 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
(i) Principal amount due and remaining unpaid to any supplier as at the end of each accounting year	4.55	2.70
(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 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Current Maturities of long-term debt		
- Public Deposits - Unsecured	<b>245.74</b>	278.81
Interest accrued but not due on public deposits	<b>105.03</b>	95.12
Unpaid dividend	<b>105.70</b>	95.87
Unpaid matured deposits and interest accrued thereon	<b>0.62</b>	0.53
Security deposits	<b>109.09</b>	101.24
Advance from customers	<b>425.09</b>	318.52
Employee benefits expense payable	<b>763.27</b>	514.99
Creditors for expenses	<b>207.53</b>	297.91
Advance received against sale of property	—	2.50
Other liabilities	<b>301.32</b>	134.48
<b>Total</b>	<b>2,263.39</b>	1,839.97

Note 8.1 Public Deposits include deposits accepted from Directors ₹ 0.48 lakh (Previous year ₹ 1.00 lakh) on the same terms and conditions as applicable to other depositors.

Note 8.2 Interest accrued but not due on public deposits includes ₹ 0.16 lakh (Previous year ₹ 0.09 lakh) due to Directors.

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

**9. SHORT TERM PROVISIONS**

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Proposed Dividend	—	640.00
Dividend distribution tax	—	130.29
Taxation (net of advance tax)	<b>179.20</b>	69.15
<b>Total</b>	<b>179.20</b>	839.44

Note 9.1 The Board of Directors of the company has proposed final dividend of ₹ 30 per share, which is subject to approval by the share holders at the ensuing Annual General Meeting. The total proposed dividend for the year ended 31st March, 2017 amounts to ₹ 1,155.43 lakhs, including dividend distribution tax of ₹ 195.43 lakhs. In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date' (effective from 01.04.2016) proposed dividend and corporate dividend tax due thereon for the year 2016-17 has not been recognised as a distribution of profit in the current year's accounts.



## 10. TANGIBLE ASSETS (PROPERTY, PLANT AND EQUIPMENTS)

₹ in lakhs

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2016	Additions	Sales/ Adjustments	Cost as at 31.03.2017	Up to 01.04.2016	For the year	Sales/ Adjustments	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land and Land development	<b>850.58</b>	<b>32.75</b>	<b>0.40</b>	<b>882.93</b>	—	—	—	—	<b>882.93</b>	<b>850.58</b>
	<i>850.58</i>	—	—	<i>850.58</i>	—	—	—	—	<i>850.58</i>	<i>850.58</i>
Leasehold Land	<b>105.60</b>	—	—	<b>105.60</b>	<b>14.12</b>	<b>1.21</b>	—	<b>15.33</b>	<b>90.27</b>	<b>91.48</b>
	<i>105.60</i>	—	—	<i>105.60</i>	<i>12.92</i>	<i>1.20</i>	—	<i>14.12</i>	<i>91.48</i>	<i>92.68</i>
Buildings	<b>2,581.84</b>	<b>110.98</b>	<b>6.80</b>	<b>2,686.02</b>	<b>1,769.12</b>	<b>115.59</b>	<b>3.32</b>	<b>1,881.39</b>	<b>804.63</b>	<b>812.72</b>
	<i>2,559.99</i>	<i>21.85</i>	—	<i>2,581.84</i>	<i>1,629.47</i>	<i>139.65</i>	—	<i>1,769.12</i>	<i>812.72</i>	<i>930.52</i>
Plant and Equipments	<b>3,963.84</b>	<b>572.64</b>	<b>6.95</b>	<b>4,529.53</b>	<b>3,377.05</b>	<b>156.33</b>	<b>5.81</b>	<b>3,527.57</b>	<b>1,001.96</b>	<b>586.79</b>
	<i>3,931.81</i>	<i>41.90</i>	<i>9.87</i>	<i>3,963.84</i>	<i>3,172.91</i>	<i>213.36</i>	<i>9.22</i>	<i>3,377.05</i>	<i>586.79</i>	<i>758.90</i>
Furniture and Fixtures	<b>103.21</b>	<b>0.16</b>	—	<b>103.37</b>	<b>96.95</b>	<b>1.95</b>	—	<b>98.90</b>	<b>4.47</b>	<b>6.26</b>
	<i>101.52</i>	<i>2.43</i>	<i>0.74</i>	<i>103.21</i>	<i>95.12</i>	<i>2.57</i>	<i>0.74</i>	<i>96.95</i>	<i>6.26</i>	<i>6.40</i>
Vehicles	<b>216.49</b>	—	—	<b>216.49</b>	<b>76.07</b>	<b>44.50</b>	—	<b>120.57</b>	<b>95.92</b>	<b>140.42</b>
	<i>195.41</i>	<i>135.81</i>	<i>114.73</i>	<i>216.49</i>	<i>127.08</i>	<i>47.83</i>	<i>98.84</i>	<i>76.07</i>	<i>140.42</i>	<i>68.33</i>
Office Equipments	<b>154.30</b>	<b>7.18</b>	—	<b>161.48</b>	<b>145.23</b>	<b>6.49</b>	—	<b>151.72</b>	<b>9.76</b>	<b>9.07</b>
	<i>149.56</i>	<i>6.24</i>	<i>1.50</i>	<i>154.30</i>	<i>138.43</i>	<i>8.29</i>	<i>1.49</i>	<i>145.23</i>	<i>9.07</i>	<i>11.13</i>
Total Tangible Assets	<b>7,975.86</b>	<b>723.71</b>	<b>14.15</b>	<b>8,685.42</b>	<b>5,478.54</b>	<b>326.07</b>	<b>9.13</b>	<b>5,795.48</b>	<b>2,889.94</b>	<b>2,497.32</b>
	<i>7,894.47</i>	<i>208.23</i>	<i>126.84</i>	<i>7,975.86</i>	<i>5,175.93</i>	<i>412.90</i>	<i>110.29</i>	<i>5,478.54</i>	<i>2,497.32</i>	<i>2,718.54</i>

Note 10.1 In accordance with provisions of revised Accounting Standard- 10 'Property, Plant and Equipment effective from 01.04.2016, the cost of spares for replacement which has an effective life of more than one financial year has been treated as Fixed Assets. In earlier years, cost of such spares for replacement was charged to the statement of profit and loss. The impact of the change in the Statement of Profit and Loss for the year is not material.

## 11. INTANGIBLE ASSETS

₹ in lakhs

Softwares	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost as at 01.04.2016	Additions	Sales/ Adjustments	Cost as at 31.03.2017	Up to 01.04.2016	For the year	Sales/ Adjustments	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
	69.93	1.76	—	71.69	68.25	1.99	—	70.24	1.45	1.68
	69.93	—	—	69.93	54.27	13.98	—	68.25	1.68	15.66

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

**12. CAPITAL WORK IN PROGRESS**

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Buildings	—	0.76
Plant and Equipments	4.11	27.33
Office Equipments	1.61	—
Total	5.72	28.09

**13. NON-CURRENT INVESTMENTS**

Particulars	Face value each ₹	As at 31.03.2017		As at 31.03.2016	
		No. of Shares/Units	₹ in lakhs	No. of Shares/Units	₹ 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 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Deferred tax asset / (liability) on account of		
- Accumulated depreciation difference	(3.71)	54.88
- Provision for employee benefits	20.27	16.66
- Others	39.78	2.34
Deferred tax asset (net)	56.34	73.88

**15. LONG-TERM LOANS AND ADVANCES**

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Unsecured - Considered good		
Capital Advances	22.40	17.98
Security Deposits	105.11	96.62
Other Loans and Advances - Loans to Employees	36.71	38.53
Total	164.22	153.13

## 16.CURRENT INVESTMENTS

Particulars	Face value each ₹	As at 31.03.2017		As at 31.03.2016	
		No. of Shares/Units	₹ in lakhs	No. of Shares/Units	₹ in lakhs
In Units of Mutual Funds - (Non-trade)					
At Cost (Fully paid - Unquoted)					
a) ICICI Prudential Liquid - Direct Plan - Growth	100	831099.407	<b>2,000.00</b>		—
b) ICICI Prudential Savings fund - Direct Plan - Growth	100	201923.116	<b>500.00</b>		—
c) UTI-Floating Rate Fund-STP-Direct Growth Plan	1000	36839.288	<b>1,000.00</b>		—
Total			<b>3,500.00</b>		—

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

## 17.INVENTORIES

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Raw materials	<b>5,261.18</b>	5,503.40
Finished goods	<b>1,530.80</b>	1,177.80
Packing materials	<b>312.02</b>	300.06
Stores & spares and consumables	<b>328.00</b>	318.46
Total	<b>7,432.00</b>	7,299.72

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

## 18.TRADE RECEIVABLES

Particulars	As at 31.03.2017 ₹ in lakhs		As at 31.03.2016 ₹ in lakhs	
(i) Considered good				
Debts outstanding for a period exceeding 6 months from the date they are due for payment				
Secured	<b>0.40</b>		1.60	
Unsecured	<b>1.00</b>	<b>1.40</b>	0.99	2.59
Other debts				
Secured	<b>2.25</b>		2.42	
Unsecured	<b>7.18</b>	<b>9.43</b>	3.91	6.33
(ii) Considered doubtful				
Debts outstanding for a period exceeding 6 months from the date they are due for payment- unsecured	<b>1.59</b>		1.59	
Less: Provision for doubtful debts	<b>(1.59)</b>	—	(1.59)	—
Total		<b>10.83</b>		8.92

**19.CASH AND CASH EQUIVALENTS**

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Balance with Banks	1,100.07	987.80
Cheques/drafts on hand	20.50	18.57
Cash on hand	19.53	37.56
Stamps on hand	0.01	0.04
<b>Total</b>	<b>1,140.11</b>	<b>1,043.97</b>

Note 19.1 Balance with banks include restricted bank balances of ₹ 191.72 lakhs (Previous year ₹ 210.61 lakhs). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees ₹ 5.02 lakhs (Previous year ₹ 4.74 lakhs) and earmarked bank balances for (1) unpaid dividends ₹ 105.70 lakhs (Previous year ₹ 95.87 lakhs) and (2) deposit repayment reserve account ₹ 81.00 lakhs (Previous year ₹ 110.00 lakhs). These restricted bank balances include time deposits with a maturity of more than 12 months ₹ 82.19 lakhs (Previous year ₹ 1.19 lakhs).

**20.SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Advances recoverable in cash or in kind or for value to be received		
(a) Unsecured - Considered Good		
- Prepaid Expenses	266.03	206.88
- Advances to Employees	117.79	114.01
- Balance with government authorities	21.23	21.21
- Other Advances	55.07	95.66
	<b>460.12</b>	<b>437.76</b>
(b) Unsecured - Considered Doubtful	—	5.18
Less : Provision for doubtful advances	—	(5.18)
<b>Total</b>	<b>460.12</b>	<b>437.76</b>

**21.OTHER CURRENT ASSETS**

Particulars	As at 31.03.2017 ₹ in lakhs	As at 31.03.2016 ₹ in lakhs
Unsecured - considered good		
Interest accrued on bank deposits	5.86	8.85
Interest accrued on loans to employees	4.73	2.94
Others	0.02	0.03
<b>Total</b>	<b>10.61</b>	<b>11.82</b>

**22.OTHER INCOME**

Particulars	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
Interest income		
- from banks (TDS ₹ 1.01 lakhs - Previous year ₹ 0.35 lakh)	7.21	13.16
- from others (TDS ₹ 0.67 lakh - Previous year ₹ 0.62 lakh)	20.15	18.81
	<b>27.36</b>	<b>31.97</b>
Dividend income from current investments	—	1.23
Insurance claim received	1.61	0.09
Excess provision for doubtful advances written back	4.00	—
Profit on sale of fixed assets (net)	—	27.20
Profit on sale of current investments	71.14	120.45
Sundry balances no more payable written back	14.92	—
Advances received from customers no more payable written back	30.30	—
Miscellaneous income	49.92	49.05
<b>Total</b>	<b>199.25</b>	<b>229.99</b>

## 23.COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
Opening Stock	5,503.40	5,023.66
Purchases	90,295.44	80,800.12
	95,798.84	85,823.78
Less : Closing stock	5,261.18	5,503.40
Cost of Material consumed	90,537.66	80,320.38

## 24.CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
Opening Stock	1,177.80	1,007.62
Closing Stock	1,530.80	1,177.80
Change in inventories of finished goods	(353.00)	(170.18)

## 25.EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
Remuneration and benefits to Employees and Directors		
Salary, wages, gratuity and bonus	3,488.89	3,015.48
Contribution to Provident Fund	245.78	248.04
Contribution to Employees' State Insurance Corporation	46.42	49.00
Contribution to KSE Ltd. Employees' Group Gratuity Fund Trust	203.44	138.46
Staff welfare expenses	280.56	244.95
Total	4,265.09	3,695.93

## 26.FINANCE COSTS

Particulars	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
Interest Expenses		
- on Cash Credit	28.33	19.65
- on Short term Rupee Loan	—	0.18
- on Public Deposits	106.64	111.28
- on Others	66.31	—
	201.28	131.11
Other Borrowing Costs	0.25	0.23
Total	201.53	131.34

Note 26.1: Interest Expenses on Public Deposits include ₹ 0.35 lakh (Previous year ₹ 0.45 lakh) being interest paid on deposits accepted from Directors.

## 27.DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31.03.2017 ₹ in lakhs	Year ended 31.03.2016 ₹ in lakhs
Tangible Assets	326.07	412.90
Intangible Assets	1.99	13.98
Total	328.06	426.88

**28. OTHER EXPENSES**

Particulars	Year ended 31.03.2017 ₹ in lakhs		Year ended 31.03.2016 ₹ in lakhs	
Processing charges		1,546.68		1,422.96
Packing materials consumed		2,727.87		2,595.62
Power and fuel		1,341.46		1,361.26
Freight		412.79		368.16
Stores and spares consumed		559.82		452.90
Rent (See Note 30.4)		11.63		12.33
Rates and taxes		99.78		44.16
Repairs				
Plant and machinery	48.50		40.08	
Building	21.61		15.59	
Vehicles	13.96		12.60	
Others	173.27	257.34	197.89	266.16
Travelling and conveyance		44.00		40.91
Advertisement and Sales promotion		156.59		157.91
Postage and telephone		29.00		23.54
Printing and stationery		25.93		22.59
Insurance		30.89		34.08
Sitting fees to Directors		16.41		16.15
Payments to Auditors and expenses				
For Audit	13.00		12.00	
For Tax audit	0.70		0.70	
For Sales-tax audit	1.00		1.00	
For Taxation matters	0.78		0.30	
For Limited Review	1.80		1.80	
For Certification works	0.57		1.17	
Travelling and out-of-pocket expenses	4.73		3.24	
Service Tax on the above	2.49	25.07	2.12	22.33
Professional charges		30.49		30.38
Commission and Brokerage		0.38		0.24
Bank Charges		25.25		67.57
Loss on sale of fixed assets (net)		2.40		—
Loss on exchange rate fluctuation (net)		6.26		9.25
Corporate Social Responsibility Expenditure		59.54		55.83
Irrecoverable advances written off		4.49		—
Bad debts written off		6.10		—
General charges		81.74		88.69
Total		7,501.91		7,093.02

**29. EARNINGS PER SHARE**

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Profit for the year as per the statement of Profit and Loss (₹ in lakhs)	1,561.63	758.07
Number of Equity Shares	32,00,000	32,00,000
Basic and diluted earnings per share (₹)	48.80	23.69

### 30. ADDITIONAL INFORMATION

#### 30.1 Contingent liabilities and commitments (to the extent not provided for in the accounts)

	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
<b>I Contingent Liabilities</b>		
a) Claims against the Company not acknowledged as debts (See Note 30.2):		
(i) Customs Duty	—	47.05
(ii) Central Excise Duty	34.52	—
(iii) Kerala General Sales Tax	25.40	25.40
(iv) Freight/demurrage demanded by Indian Railways	57.11	57.11
(v) ESI	4.38	4.38
(vi) 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
	<b>165.23</b>	
<b>II Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account not provided for	53.66	44.79
b) Uncalled liability on shares and other investments partly paid	—	—
c) Letter of credit for import of raw materials	111.73	163.42
	<b>165.39</b>	118.63
<b>TOTAL</b>	<b>330.62</b>	<b>341.18</b>

#### 30.2 Details in respect of claims against the Company not acknowledged as debts disclosed under Note No. 30.1 are as follows:

- (i) Assistant Commissioner, Central Excise and Service Tax has issued Order demanding Central Excise Duty of ₹ 34,52,320 (including penalty of ₹ 3 lakhs) and interest as applicable, by disallowing exemption claimed on fatty acid from levy of Central Excise Duty from December, 2014 to October, 2016. Aggrieved by the Order Company will be filing an appeal before the Commissioner (Appeals), Central Excise and Service Tax.
- (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 the direction of the Court, while granting stay. The balance demand not paid 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.



## 30.3 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:

	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
Employer’s Contribution to Provident Fund	245.78	248.04
Employer’s Contribution to Employee’s State Insurance Corporation	46.42	49.00

## II Defined Benefit Plan / Other Long Term Benefits -

	Gratuity (Funded)		Compensated absences (Funded)	
	2016-17	2015-16	2016-17	2015-16
(i) <b>Actuarial Assumptions</b>				
Discount Rate (per annum)	7.80%	8.00%	7.80%	8.00%
Expected Rate of return on plan assets (per annum)	8.00%	8.00%	8.00%	8.00%
Compensation escalation Rate (per annum)	8.00%	8.00%	8.00%	8.00%
Mortality Rate	Indian Lives Mortality (1994-96) Ultimate Table			
	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
(ii) <b>Reconciliation of present value of obligations</b>				
Present value of obligation at the beginning of the year	1,244.53	1,077.73	125.84	104.83
Current service cost	81.70	68.94	123.40	117.42
Interest cost	100.26	88.98	14.62	13.04
Actuarial (gain) / loss	135.55	87.65	(79.23)	(67.87)
Benefits paid	(77.75)	(78.77)	(37.18)	(41.58)
Present value of obligations at the end of the year	1,484.29	1,244.53	147.45	125.84
(iii) <b>Reconciliation of fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	1,406.25	1,310.29	137.16	125.60
Expected return on plan assets	112.50	104.82	10.97	10.05
Actuarial gain / (loss)	1.57	2.29	0.32	0.51
Contributions	264.11	67.62	0.42	1.07
Benefits paid	(77.75)	(78.77)	(0.96)	(0.07)
Fair value of plan assets at the end of the year	1,706.68	1,406.25	147.91	137.16
(iv) <b>Description of plan assets - Insurer managed assets</b>	1,706.68	1,406.25	147.91	137.16
(v) <b>Net (Asset) / Liability recognised in the balance sheet as at the end of the year</b>				
Present value of obligation at the end of the year	1,484.29	1,244.53	147.45	125.84
Fair value of plan assets at the end of the year	1,706.68	1,406.25	147.91	137.16
Net present value of funded obligation recognised as (asset) / liability in the balance sheet	(222.39)	(161.72)	(0.46)	(11.32)
(vi) <b>Expenses recognised in the statement of profit and loss</b>				
Current service cost	81.70	68.94	123.40	117.42
Interest cost	100.26	88.98	14.62	13.04
Expected return on plan assets	(112.50)	(104.82)	(10.97)	(10.05)
Actuarial (gain) / loss recognised in the period	133.98	85.36	(79.55)	(68.39)
Total expenses recognised in the statement of profit and loss for the year	203.44	138.46	47.50	52.02
Actual return of plan assets	114.07	107.11	11.29	10.56

		Gratuity (Funded)		Compensated absences (Funded)	
		2016-17	2015-16	2016-17	2015-16
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(vii)	<b>Non-current and current value of obligation</b>				
	Non-current	<b>1,342.24</b>	1,156.95	<b>137.04</b>	113.11
	Current	<b>142.05</b>	87.58	<b>10.41</b>	12.73
	Total value of obligation	<b>1,484.29</b>	1,244.53	<b>147.45</b>	125.84

		31.03.2017 ₹ in lakhs	31.03.2016 ₹ in lakhs	31.03.2015 ₹ in lakhs	31.03.2014 ₹ in lakhs	31.03.2013 ₹ in lakhs
(viii)	Amount recognised in current year and previous four years <b>Gratuity (Funded)</b>					
	Present value of defined benefit obligations	<b>1,484.29</b>	1,244.53	1,077.73	948.83	788.45
	Fair value of plan assets	<b>1,706.68</b>	1,406.25	1,310.29	1,138.19	895.12
	Funded status - (asset) / liability	<b>(222.39)</b>	(161.72)	(232.56)	(189.36)	(106.67)
	Actuarial (gain) / loss on plan obligations	<b>135.55</b>	87.65	84.43	79.86	(3.06)
	Actuarial gain / (loss) on plan assets	<b>1.57</b>	2.29	8.68	5.25	8.41
	<b>Compensated absences (Funded)</b>					
	Present value of defined benefit obligations	<b>147.45</b>	125.84	104.83	91.04	64.98
	Fair value of plan assets	<b>147.91</b>	137.16	125.60	107.20	100.48
	Funded status - (asset) / liability	<b>(0.46)</b>	(11.32)	(20.77)	(16.16)	(35.50)
	Actuarial (gain) / loss on plan obligations	<b>(79.23)</b>	(67.87)	(48.76)	(40.56)	(55.54)
	Actuarial gain / (loss) on plan assets	<b>0.32</b>	0.51	3.50	(1.26)	1.07

**Notes:**

- The above disclosures are based on information certified by the independent actuary and relied upon by the Company.
- 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.

**30.4 Lease rental payments**

	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
(a) Recognised in statement of profit and loss	<b>11.63</b>	12.33
(b) Future minimum lease rentals payable as per lease agreement at the year end		
(i) Not later than one year	—	0.22
(ii) Later than one year and not later than five years	<b>7.00</b>	13.00
Total	<b>7.00</b>	13.22
(c) The Company has hired buildings under rental arrangements which are treated as operating lease.		

## 30.5 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	<b>2016-17</b>	<b>90,213.41</b>	<b>23,717.63</b>	<b>2,749.44</b>	<b>116,680.48</b>
		2015-16	79,136.60	21,724.13	2,473.08	103,333.81
	Less Inter-segment Revenue	<b>2016-17</b>	—	<b>11,955.95</b>	—	<b>11,955.95</b>
		2015-16	—	10,840.35	—	10,840.35
	<b>Total Revenue</b>	<b>2016-17</b>	<b>90,213.41</b>	<b>11,761.68</b>	<b>2,749.44</b>	<b>104,724.53</b>
		2015-16	79,136.60	10,883.78	2,473.08	92,493.46
b)	Segment Results	<b>2016-17</b>	<b>938.13</b>	<b>1,580.95</b>	<b>83.07</b>	<b>2,602.15</b>
		2015-16	212.63	951.86	161.68	1,326.17
	Add Unallocated income (net of unallocated expenditure)	<b>2016-17</b>				<b>41.91</b>
		2015-16				31.25
	Less Finance Costs	<b>2016-17</b>				<b>201.53</b>
		2015-16				131.34
	Total Profit before tax and exceptional items	<b>2016-17</b>				<b>2,442.53</b>
		2015-16				1,226.08
	Add Exceptional items	<b>2016-17</b>				—
		2015-16				—
	Profit before tax	<b>2016-17</b>				<b>2,442.53</b>
		2015-16				1,226.08
c)	Segment Assets	<b>2016-17</b>	<b>6,104.15</b>	<b>3,633.08</b>	<b>554.66</b>	<b>10,291.89</b>
		2015-16	5,854.57	3,806.48	566.51	10,227.56
	Unallocated Assets	<b>2016-17</b>				<b>5,381.95</b>
		2015-16				1,331.23
	Total Assets	<b>2016-17</b>				<b>15,673.84</b>
		2015-16				11,558.79
d)	Segment Liabilities	<b>2016-17</b>	<b>2,083.25</b>	<b>341.58</b>	<b>107.10</b>	<b>2,531.93</b>
		2015-16	1,704.49	319.80	114.36	2,138.65
	Unallocated Liabilities	<b>2016-17</b>				<b>4,411.43</b>
		2015-16				2,251.29
	Total Liabilities	<b>2016-17</b>				<b>6,943.36</b>
		2015-16				4,389.94
e)	Segment Capital Expenditure	<b>2016-17</b>	<b>38.82</b>	<b>10.28</b>	<b>15.08</b>	<b>64.18</b>
		2015-16	71.74	7.90	17.69	97.33
	Unallocated Capital Expenditure	<b>2016-17</b>				<b>645.32</b>
		2015-16				143.88
	Total Capital Expenditure	<b>2016-17</b>				<b>709.50</b>
		2015-16				241.21
f)	Segment Depreciation and amortisation expenses	<b>2016-17</b>	<b>184.17</b>	<b>68.49</b>	<b>44.31</b>	<b>296.97</b>
		2015-16	236.44	83.92	56.76	377.12
	Unallocated Depreciation	<b>2016-17</b>				<b>31.09</b>
		2015-16				49.76
	Total Depreciation and amortisation expenses	<b>2016-17</b>				<b>328.06</b>
		2015-16				426.88
g)	There is no significant non-cash expenses, included in segment expenses, other than depreciation and amortisation expenses in respect of segment assets.					

Notes:

	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
1 Unallocated assets include		
Windmill	536.10	—
Non- current investments	2.50	2.50
Cash and Bank balances	1,140.11	1,043.97
Deferred tax asset	56.34	73.88
Current Investments	3500.00	—
2 Unallocated liabilities include		
Long Term borrowings	669.83	617.31
Provision for employee benefits - Gratuity	57.69	47.25
Current maturities of Public Deposit	245.74	278.81
Interest accrued but not due on public deposits	105.03	95.12
Unpaid dividends	105.70	95.87
Short-term borrowings	3021.86	243.87
Provision for taxation (net of advance tax)	179.20	69.15
Provision for proposed dividend and dividend distribution tax	—	770.29

- 30.6 During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R 308 (E) dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification are as follows:

₹ in lakhs

Particulars	SBNs	Other Denomi- nation Notes	Total
Closing cash in hand as on 08.11.2016	58.65	16.73	75.38
Add: Permitted Receipts	30.04	282.60	312.64
Less: Permitted Payments	—	219.66	219.66
Less: Amount deposited in banks	88.69	36.47	125.16
Closing cash in hand as on 30.12.2016	—	43.20	43.20

Permitted receipts represent the amount received by the company on sale of milk in the Dairy Units of the Company which are registered under the Factories Act, 1948.

- 30.7 **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. A.P. George
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
3	Relatives of Key Managerial Personnel having transactions with the Company	Mrs. Annie Paul Mrs. Thressiamma George Mr. A.G. Antony Mrs. Teena Prince

**B. Transactions with Related Parties during the year**

			2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
1	Transactions with Key Managerial Personnel			
1.a	Remuneration	Mr. M.C. Paul	47.86	37.95
		Mr. P.K. Varghese	—	11.29
		Mr. A.P. George	23.02	10.30
		Total	70.88	59.54
1.b	Interest on Public Deposit	Mr. A.P. George	0.29	0.15
1.c	Balance outstanding as at the year end -			
--	Payables - Bonus payable and gratuity provided in accounts	Mr. M.C. Paul	63.02	52.16
		Mr. P.K. Varghese	—	0.88
		Mr. A.P. George	3.46	1.56
		Total	66.48	54.60
--	Payables (Public Deposits)	Mr. A.P. George	2.75	2.75
--	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	95.16	51.92
		Emceepee Agencies	16.60	16.49
		MCP Rose Supermarket P. Ltd.	8.32	8.41
		Surya Agencies (up to 12.07.2015)	—	11.49
		Total	120.08	88.31
2.b	Purchase of Materials	M.C. Paul & Sons	0.04	0.12
		MCP Rose Supermarket P. Ltd.	0.37	0.13
		Pokkath Auto Fuels (up to 12.07.2015)	—	6.77
		Total	0.41	7.02
2.c	Sales Promotion	MCP Rose Supermarket P. Ltd.	1.19	0.30
		Emceepee Traders	0.01	0.01
		Total	1.20	0.31
2.d	Balance outstanding as at the year end			
--	Payables	Emceepee Traders	0.10	0.10
		Emceepee Agencies	0.02	0.02
		MCP Rose Supermarket P. Ltd.	—	0.01
		Total	0.12	0.13
--	Receivables		Nil	Nil
3	Transactions with relatives of Key Managerial Personnel			
3.a	Interest on public deposits	Mrs. Annie Paul	0.95	0.96
		Mrs. Seema Suresh (up to 12.07.2015)	—	0.01
		Mrs. Sawmiya Varghese (up to 12.07.2015)	—	0.03
		Mrs. Alpho Varghese (up to 12.07.2015)	—	0.03
		Mrs. Thressiamma George (from 01.10.2015)	0.22	0.11
		Mr. A.G. Antony (from 01.10.2015)	0.85	0.39
		Mrs. Teena Prince (from 01.10.2015)	0.12	0.07
		Total	2.14	1.60
3.b	Balance outstanding as at the year end			
--	Payables (Public Deposits including accrued interest)	Mrs. Annie Paul	10.00	9.14
		Mrs. Thressiamma George	2.00	2.00
		Mr. A.G. Antony	8.13	7.36
		Mrs. Teena Prince	1.05	1.32
		Total	21.18	19.82
--	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.

**30.8 Particulars in respect of stock and turnover**

₹ in lakhs

Sl. No.	Class of goods manufactured	Opening Value		Closing Value		Sales Value	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1.	Ready-mixed Cattle Feed and Feed Supplement	292.21	518.49	568.52	292.21	89,940.64	78,836.47
2.	De-oiled Coconut Cake	667.68	211.79	491.98	667.68	4,348.10	4,069.10
3.	Refined Coconut Oil	42.50	35.29	223.27	42.50	7,147.53	6,522.14
4.	Solvent Extracted Coconut oil	121.07	198.15	209.50	121.07	50.60	120.01
5.	Milk	3.94	4.65	4.26	3.94	1,634.97	1,507.31
6.	Ice Cream	27.80	26.91	27.84	27.80	862.74	732.24
7.	Others	22.60	12.34	5.43	22.60	761.46	724.38
	Total	1,177.80	1,007.62	1,530.80	1,177.80	104,746.04	92,511.65

**30.9 Raw materials consumed**

		2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
(a)	Coconut Oil Cake	20,381.68	19,079.33
(b)	Rice Bran	30,632.90	25,504.81
(c)	Maize	17,621.76	14,528.91
(d)	Cotton Seed Cake	7,702.60	6,656.66
(e)	Milk	1,404.86	1,249.36
(f)	Others	12,793.86	13,301.31
	Total	90,537.66	80,320.38

**30.10 Consumption of raw materials and stores and spares**

		Year ended 31 <sup>st</sup> March 2017		Year ended 31 <sup>st</sup> March 2016	
		%	₹ in lakhs	%	₹ in lakhs
(a)	Raw Materials				
	Imported	13.06	11,827.99	10.83	8,697.34
	Indigenous	86.94	78,709.67	89.17	71,623.04
	Total	100.00	90,537.66	100.00	80,320.38
(b)	Stores and Spares				
	Imported	5.06	28.35	0.02	0.11
	Indigenous	94.94	531.47	99.98	452.79
	Total	100.00	559.82	100.00	452.90

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
30.11 CIF value of imports (₹ in lakhs)		
- Raw materials	8,970.83	7,073.59
- Capital goods	Nil	Nil
- Stores and Spares	19.02	Nil
30.12 Expenditure in Foreign Currency (₹ in lakhs)	0.13	0.12
30.13 Earnings in Foreign Exchange (₹ in lakhs)	1.40	Nil
30.14 Remittance in foreign currencies on account of dividend (including remittance to NRE accounts)		
i) No. of Non-Resident shareholders	58	78
ii) No. of shares held by them	20,622	25,688
iii) Dividend remitted in Foreign Currency	Nil	Nil
31.15 Stores and spares consumed includes cost of materials used for repairs and maintenance.		
30.16 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.		
30.17. The power cost is net value of captively consumed units generated from windmill of the company.		
30.18. Figures of the previous year have been regrouped and recast wherever necessary to suit the current year's layout.		

**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, 2017

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

	2016-17	2015-16	2014-15	2013-14	2012-13
<b>A. ASSETS</b>					
1. Net Fixed Assets:					
Gross Fixed Assets	<b>8762.83</b>	8073.88	7975.51	8110.64	8078.29
Less Depreciation/amortisation	<b>5865.72</b>	5546.79	5230.20	4456.96	4133.84
	<b>2897.11</b>	2527.09	2745.31	3653.68	3944.45
2. Investments	<b>3502.50</b>	2.50	2.50	7.50	7.50
3. Long term advances and Current Assets	<b>9274.23</b>	9029.20	11054.73	5889.11	5580.35
Total asset	<b>15673.84</b>	11558.79	13802.54	9550.29	9532.30
<b>B. LIABILITIES</b>					
1. Secured and unsecured loans	<b>3942.77</b>	1147.80	1754.93	1667.37	2994.24
2. Other Liabilities	<b>3000.59</b>	3242.14	4866.54	3024.83	2468.56
Total liabilities	<b>6943.46</b>	4389.94	6621.47	4692.20	5462.80
<b>C. NET WORTH (A-B)</b>	<b>8730.48</b>	7168.85	7181.07	4858.09	4069.50
<b>REPRESENTED BY</b>					
1. Share Capital	<b>320.00</b>	320.00	320.00	320.00	320.00
2. Reserves and Surplus	<b>8410.48</b>	6848.85	6861.07	4538.09	3749.50
Shareholder's equity	<b>8730.48</b>	7168.85	7181.07	4858.09	4069.50

## SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

₹ in lakhs

	2016-17	2015-16	2014-15	2013-14	2012-13
<b>A. EARNED FROM</b>					
1. Sales	<b>104724.53</b>	92493.46	89970.05	80630.33	69717.71
2. Other income	<b>199.25</b>	229.99	1208.82	89.78	108.18
	<b>104923.78</b>	92723.45	91178.87	80720.11	69825.89
<b>B. PAID AND PROVIDED FOR</b>					
1. Raw materials and finished goods	<b>90184.66</b>	80150.20	74019.27	69121.63	60474.34
2. Manufacturing, administrative, selling and other expenses	<b>7501.91</b>	7093.02	6556.95	5784.30	5601.64
3. Employee benefits expense	<b>4265.09</b>	3695.93	3383.04	2857.88	2348.07
4. Finance costs	<b>201.53</b>	131.34	194.49	236.66	313.65
5. Depreciation/amortisation	<b>328.06</b>	426.88	636.19	375.77	422.10
	<b>102481.25</b>	91497.37	84789.94	78376.24	69159.80
<b>C. PROFIT BEFORE TAX (A-B)</b>	<b>2442.53</b>	1226.08	6388.93	2343.87	666.09
Less: Tax Expenses	<b>880.90</b>	468.01	2025.52	806.51	200.79
<b>D. NET PROFIT AFTER TAX</b>	<b>1561.63</b>	758.07	4363.41	1537.36	465.30
<b>APPROPRIATED TO</b>					
1. Dividend	<b>960.00</b>	640.00	1600.00	640.00	320.00
2. Dividend distribution tax	<b>195.43</b>	130.29	322.23	108.77	54.38
3. Retained in business / (Utilised from accumulated profits)	<b>406.20</b>	(12.22)	2441.18	788.59	90.92
	<b>1561.63</b>	758.07	4363.41	1537.36	465.30

## NOTES

## NOTES

## CSR INITIATIVES



Mr. M.C Paul, Managing Director inaugurating the function in connection with the handing over of the Dialysis Unit to Peringottukara Association Dialysis Centre



Mr. M.C Paul, Managing Director flaging off the ambulance to Sevabharathi, Irinjalakuda

## 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 2735855, 2734590, 2735920

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

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

KSE Limited  
NIDA, Menonpara Road, Kanjikode,  
Palakkad - 678 621  
Tel: 0491 2566922

## Branch

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

### Corporate Office

P.B. No. 20, Solvent Road, Irinjalakuda, Kerala-680 121  
Tel: 0480 2825476, 2826676 | Fax: 0480 2826075  
Email: ksekerala@gmail.com | Website: www.kselimited.com