

Ref: S. 177/2021-2022/ 0 0 0 4 1 1

6th September , 2021

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

Dear Sirs,

Sub: Filing of Annual Report for the Financial Year 2020-21 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the copy of Annual Report for the Financial Year 2020-21 is submitted herewith. Kindly take the same on record.

Thanking You,

Yours faithfully,

For KSE Limited



R. Sankaranarayanan

*Chief Financial Officer and
Company Secretary*



57th
**ANNUAL
REPORT**
2020-2021



56th Annual General Meeting in progress



CIN : L15331KL1963PLC002028

Registered Office

Solvent Road, Irinjalakuda,
Kerala -680 121

Statutory Auditors

M/s. Sridhar & Co.
Chartered Accountants
(Firm Reg. No. 003978S)
"Sreenidhi", T. C - 37/ 275,
Fort, Thiruvananthapuram - 695023

Secretarial Auditors (up to 30.06.2021)

CS Sathish V.
Practicing 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,
"Surya", 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road
Coimbatore - 641028.
Phone : 0422 4958995, 2539835,2539836
Mail : info@skdc-consultants.com

Internal Auditors

M/s. Varma & Varma,
Chartered Accountants,
Thrissur

M/s. Srikishen & Co.,
Chartered Accountants
Coimbatore - 641 006

M/s. C. Krishnakumar & Associates
Chartered Accountants,
Trichur - 680 002

Chief Financial Officer and Company Secretary

R. Sankaranarayanan

Annual General Meeting

On Wednesday,
29th September, 2021 at 3.00 p.m.

Venue

Registered Office,
Solvent Road, Irinjalakuda - 680 121

Contents

	Page
Financial Highlights	6
Notice of Annual General Meeting	7
Board's Report	26
Corporate Governance Report	51
Management Discussion and Analysis	64
Independent Auditor's Report	70
Balance Sheet	77
Statement of Profit and Loss	79
Statement of Changes in Equity	80
Cash Flow Statement	82
Notes to Financial Statements	84
Summarised Balance Sheet & Statement of Profit and Loss	117



BOARD OF DIRECTORS

Sl. No.	Name	DIN	Designation
1	Mr. A.P. George	00106808	Managing Director
2	Mr. M.P. Jackson	01889504	Executive Director
3	Mr. P.D. Anto	00106965	Non-Executive - Non Independent Director
4	Mr. Paul Francis	00382797	Non-Executive - Non Independent Director
5	Mrs. Marykutty Varghese	07307987	Non-Executive - Non Independent Director
6	Dr. Pyarelal K.C.	00923913	Non-Executive - Non Independent Director
7	Ms. Danesa Raghulal	07975553	Non-Executive - Non Independent Director
8	Mr. Verghese C.V.	00779894	Non-Executive - Independent Director
9	Mr. Jose John	01797056	Non-Executive - Independent Director; Chairman
10	Mr. Paul Jose Thaliyath	01616504	Non-Executive - Independent Director
11	Mrs. Nina Paul	08576074	Non-Executive - Independent Director

Financial Highlights

	2020-2021 ₹ in Lakhs	2019-2020 ₹ in Lakhs
Sales and other Income	155157.30	143273.60
Gross Profit (Profit before Depreciation and Finance costs)	14691.21	3041.48
Profit before tax	14968.80	2608.07
Profit for the year (after tax)	11293.03	1889.90
Other Comprehensive Income (net of tax)	(67.82)	(84.97)
Total Comprehensive Income (after tax)	11225.21	1804.93
Shareholders' Equity (Net worth)	24308.62	14203.41
Capital employed	25366.60	15116.76
	₹	₹
Shareholders' equity per share	759.64	443.86
Earnings per share of ₹10 each	352.91	59.06
Dividend (including interim)	1000%	200%



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

NOTICE OF THE 57TH ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting (AGM) of the members of KSE Limited, Irinjalakuda will be held for the transaction of the following businesses, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), on Wednesday, the 29th September, 2021 at 3.00 p.m., in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs, Government of India. The venue of the meeting shall be deemed to be the Registered Office of the Company at Solvent Road, Irinjalakuda - 680 121.

ORDINARY BUSINESS

1. Adoption of Accounts for the year ended 31st March, 2021

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

“RESOLVED THAT the audited financial statements of the Company for the year ended 31st March, 2021 including the balance sheet as at 31st March, 2021 and the statement of profit and loss for the year ended 31st March, 2021 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. Declaration of final dividend on equity shares at the rate of ₹ 85 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 ₹ 100 per equity share on 32,00,000 equity shares of ₹ 10 each be and is hereby declared out of the profits of the Company for the year ended 31st March, 2021, including the interim dividend at the rate of ₹ 15 per equity share of ₹ 10 each declared by the Board of Directors of the Company on 15th September, 2020, absorbing an aggregate amount of ₹ 32.00 crores and that the final dividend of ₹ 85 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30th June, 2021 be paid to those shareholders, whose names appear in the Company’s register of members as on 29th September, 2021 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 22nd September, 2021 as per the details furnished by the depositories for this purpose.”

3. Reappointment of Director, retiring by rotation, Ms. Danesa Raghulal (DIN : 07975553)

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

“RESOLVED THAT Ms. Danesa Raghulal (DIN : 07975553), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a director of the Company.”

4. Reappointment of Director, retiring by rotation, Dr. Pyarelal K.C. (DIN : 00923913)

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

“RESOLVED THAT Dr. Pyarelal K.C. (DIN : 00923913), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company.”

SPECIAL BUSINESS

5. 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 up to the permissible limits as prescribed under the Rules.

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

6. 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 31st March, 2022 be paid the remuneration of ₹2,00,000 plus GST 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.”

7. Approval for reappointment of Mr. M.P. Jackson (DIN 01889504) as Executive Director

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

“RESOLVED THAT pursuant to the provisions of 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 reappointment of Mr. M.P. Jackson (DIN 01889504) as Executive Director of the Company for a period of one year from 12th February, 2021 to 11th February, 2022, for attending to the day to day functioning of the Company subject to the direction and control of the Managing Director and that he be paid following remuneration by way of salary, bonus, perquisites and allowances, during the period of his appointment, as approved by the Nomination and Remuneration Committee and thereafter by the Board of Directors in their respective meetings held on 21st January, 2021:

(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, subject to completion of a service of five years, at the rate of half a month's last drawn salary for each year of completed service or part thereof with effect from 12.02.2018.

(d) Contribution to funds

Company's contribution to provident fund equivalent to 12 % of the salary as per the provisions of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and Rules and Regulations thereunder.

(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. Medical Allowance (including reimbursement of medical expenses, if any, incurred for himself and family) equivalent to one month's salary per annum.
- iv. Leave travel Allowance (including reimbursement of actual Leave Travel expenses, as per the Rules of the Company) equivalent to one month's salary per annum.
- 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 his appointment as 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 Mr. M.P. Jackson (DIN 01889504) shall be a Director not liable to retire by rotation by virtue of clause 116 of the Articles of Association of the Company, while he continues to hold the post of Executive Director.

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."

8. Approval for appointment of Mr. M.P. Jackson (DIN 01889504) as Managing 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 appointment of Mr. M.P. Jackson (DIN 01889504) as Managing Director of the Company for a period of five years from 1st October, 2021 to 30th September, 2026, on the terms and conditions of appointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initialed by the Chairman for the purpose of identification and that he be paid following remuneration by way of salary, bonus, perquisites and allowances which is as approved by the Nomination and Remuneration Committee and by the Board of Directors of the Company in their respective meetings held on 30th June, 2021:

(a) Salary

₹ 3,00,000 (Rupees Three Lakhs only) per month with annual increment of ₹ 15,000 in the scale of ₹ 3,00,000-15,000-3,75,000.

(b) Bonus

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

(c) Gratuity

Gratuity, as per the Rules of the Company, subject to completion of a service of five years, at the rate of half a month's last drawn salary for each year of completed service or part thereof with effect from 12.02.2018.

(d) Contribution to funds

Company's contribution to provident fund equivalent to 12 % of the salary as per the provisions of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and Rules and Regulations thereunder.

(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. Medical Allowance (including reimbursement of medical expenses, if any, incurred for himself and family) equivalent to one month's salary per annum.
- iv. Leave travel Allowance (including reimbursement of actual Leave Travel expenses, as per the Rules of the Company) equivalent to one month's salary per annum.
- 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 his appointment as 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 Mr. M.P. Jackson (DIN 01889504) shall be a Director not liable to retire by rotation by virtue of clause 116 of the Articles of Association of the Company, while he continues to hold the post of Managing Director.

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. Approval for appointment of Mr. Paul Francis (DIN 00382797) as Executive Director

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

"RESOLVED THAT pursuant to the provisions of 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 appointment of Mr. Paul Francis (DIN 00382797) as Executive Director of the Company for a period of five years from 1st October, 2021 to 30th September, 2026, for attending to the day to day functioning of the Company subject to the direction and control of the Managing Director and that he be paid following remuneration by way of salary, bonus, perquisites and allowances, during the period of his appointment, as approved by the Nomination and Remuneration Committee and thereafter by the Board of Directors in their respective meetings held on 30th June, 2021:

(a) Salary

₹ 2,00,000 (Rupees Two Lakhs only) per month with annual increment of ₹ 10,000 in the scale of ₹ 2,00,000-10,000-2,50,000.

(b) Bonus

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

(c) Gratuity

Gratuity, as per the Rules of the Company, subject to completion of a service of five years, at the rate of half a month's last drawn salary for each year of completed service or part thereof with effect from 01-10-2021.

(d) Contribution to funds

Company's contribution to provident fund equivalent to 12 % of the salary as per the provisions of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and Rules and Regulations thereunder.

(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. Medical Allowance (including reimbursement of medical expenses, if any, incurred for himself and family) equivalent to one month's salary per annum.
- iv. Leave travel Allowance (including reimbursement of actual Leave Travel expenses, as per the Rules of the Company) equivalent to one month's salary per annum.
- 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 his appointment as 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 Mr. Paul Francis (DIN 00382797) shall be a Director not liable to retire by rotation by virtue of clause 116 of the Articles of Association of the Company, while he continues to hold the post of Executive Director.

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. Appointment of Mr. Dony A.G. (DIN 09211623) as a Director

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

"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there-under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Dony A.G. (DIN 09211623) , in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Dony A.G. for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Irinjalakuda
30th June, 2021

By Order of the Board
For KSE Limited

REGISTERED OFFICE
Solvent Road, Irinjalakuda – 680121
Thrissur – KERALA.
CIN : L15331KL1963PLC002028
Web Site : www.kselimited.com
E Mail : investor.relations@kselimited.com
Phone : +91480 2825476; 2825576 (Extn: 212)

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

NOTES

1. The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 in respect of the Special Businesses set out above, which are unavoidable in nature, is annexed hereto.
2. In view of the continuing lockdown restrictions on the movement of people at several places in the country, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021.
3. As the AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2020-2021 are being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depository Participant. Members may note that the Notice and Annual Report 2020-2021 will also be available on the Company's website www.kselimited.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of Central Depository Services Limited (CDSL) www.evotingindia.com
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2021 to 29th September, 2021 (both days inclusive).
7. The final dividend, if declared at the Annual General Meeting, would be paid/despached, subject to deduction of tax at source, on or after 29th September, 2021 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 22nd September, 2021 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 29th September, 2021, in respect of shares held in physical mode.
8. Dividend income will be taxable in the hands of shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates applicable to various categories, the shareholders are requested to refer to the Income tax Act, 1961 and amendments thereof. The shareholders are requested to update their Residential Status, Category and PAN with M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents of the Company (in case of physical shares) and depositories (in case of demated shares).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to green@skdc-consultants.com by 23rd September, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email by 22nd September, 2021 to green@skdc-consultants.com.
9. Pursuant to the Regulation 40 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

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 31st March 2015 onwards are requested to lodge their claim with the Company.
11. As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of the Unclaimed Dividends as on 31st March, 2020 relating to the financial years from 2012-2013, on the website of the IEPF (www.iepf.gov.in) and on the website of the Company at 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, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028; Phone : 0422 4958995, 2539835, 2539836; Email: 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 into 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. 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.

18. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING

- (i) The voting period begins on 26th September, 2021 at 9.00 a.m. and ends on 28th September, 2021 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 22nd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 28th September, 2021 at 5.00 p.m.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN Number from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (iv) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders and physical shareholders.
- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on "Shareholders" module.
 - Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. 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 (v).

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- i) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for “KSE LIMITED” on which you choose to vote.
- k) 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.
- l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- m) 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.
- n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- p) 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.
- q) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz investor.relations@kselimited.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor.relations@kselimited.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor.relations@kselimited.com. These queries will be replied to by the company suitably either by mail or in the course of the meeting.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

If you have any queries or issues regarding attending AGM and/or e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

Item 5 - 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 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 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 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. 5 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. 5 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 recommend the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the Members.

Item 6 - 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 31st March, 2022 on a remuneration of ₹ 2,00,000 plus GST 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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2022.

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

Item 7 - Reappointment of Mr. M.P. Jackson (DIN 01889504) as Executive Director

On the recommendation of the Nomination and Remuneration Committee, the Board, in their respective meetings, held on 12th February, 2018 had decided to appoint Mr. M.P. Jackson (DIN 01889504) as Executive Director of the Company, subject to the approval of the members in General Meeting, for a period of three years from 12th February, 2018 to 11th February, 2021, on a remuneration with salary at ₹ 1,50,000 per month with annual increment in the scale of ₹ 1,50,000 - 7,500 - 1,65,000 along with bonus, other perquisites and allowances. Considering the general increase in the remuneration package across the industry, the Board of Directors decided to enhance the remuneration of Mr. M.P. Jackson to ₹ 2,05,000 per month along with bonus, other perquisites and allowances with effect from 1st October, 2019 for the rest of his term of appointment up to 11th February, 2021.

The Board, on the recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 21st January, 2021 has decided to reappoint Mr. M.P. Jackson (DIN 01889504) as Executive Director of the Company, subject to the approval of the members in the ensuing Annual General Meeting, for one year from 12th February, 2021 to 11th February, 2022, on a remuneration with salary at ₹ 2,50,000 per month along with bonus, other perquisites and allowances, as specified in the Resolution No. 7, subject to the approval of the members by Ordinary resolution.

Mr. M. P. Jackson (DIN 01889504), aged 68, son of Late M.C. Paul, after completing his BSc. (Physics) course, has involved in the family businesses and is now heading the MCP Group of concerns. He was Chairman of Irinjalakuda Municipality for two terms spanning over a period of nearly seven years. He is also Chairman of Irinjalakuda Town Co-operative Bank and President of Irinjalakuda Co-operative Hospital. He is actively involved in many social, cultural, political and developmental activities in and around Irinjalakuda for over three decades.

Mr. M. P. Jackson (DIN 01889504) 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. M. P. Jackson (DIN 01889504), 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. P. Jackson (DIN 01889504) to the extent of remuneration payable to him, is concerned or interested, financial or otherwise, in the resolution.

The Board of Directors recommends the resolution in relation to the enhancement of remuneration of Mr. M. P. Jackson (DIN 01889504), Executive Director, for the approval of the shareholders of the Company.

The information as required under the provisions of Schedule V to the Companies Act, 2013 are provided under explanation to Item No. 8 dealing with the resolution for appointment of Mr. M. P. Jackson (DIN 01889504) as Managing Director of the Company with effect from 1st October, 2021.

Item 8 - Appointment of Mr. M.P. Jackson (DIN 01889504) as Managing Director

Mr. M.P. Jackson (DIN 01889504) was appointed as Executive Director of the Company, for a period of three years from 12th February, 2018 to 11th February, 2021, on a remuneration with salary at ₹ 1,50,000 per month with annual increment in the scale of ₹ 1,50,000 - 7,500 - 1,65,000 along with bonus, other perquisites and allowances. Considering the general increase in the remuneration package across the industry, his remuneration was enhanced to ₹ 2,05,000 per month along with bonus, other perquisites and allowances with effect from 1st October, 2019 for the rest of the term of appointment up to 11th February, 2021.

The Board, on the recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 21st January, 2021 has decided to reappoint Mr. M.P. Jackson (DIN 01889504) as Executive Director of the Company, subject to the approval of the members in the ensuing Annual General Meeting, for one year from 12th February, 2021 to 11th February, 2022, on a remuneration with salary at ₹ 2,50,000 per month along with bonus, other perquisites and allowances, as specified in the Resolution No. 7, subject to the approval of the members by Ordinary resolution.

The period of appointment of Mr. A.P. George (DIN 00106808) as Managing Director is expiring on 30th September, 2021 and he has expressed his desire to retire from that post and also to retire from the Board, on expiry of his current term of appointment as on 30th September, 2021. Thereupon, the Board has decided to appoint Mr. M.P. Jackson (DIN 01889504) as Managing Director of the Company, on the recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 30th June, 2021, for a period of five years from 1st October, 2021 to 30th September, 2026, on a remuneration with salary, bonus, other perquisites and allowances, as specified in the Resolution No. 8, subject to the approval of the members in general meeting.

Mr. M. P. Jackson (DIN 01889504), aged 68, son of Late M.C. Paul, after completing his BSc. (Physics) course, has involved in the family businesses and is now heading the MCP Group of concerns. He was Chairman of Irinjalakuda Municipality for two terms spanning over a period of nearly seven years. He is also Chairman of Irinjalakuda Town Co-operative Bank and President of Irinjalakuda Co-operative Hospital. He is actively involved in many social, cultural, political and developmental activities in and around Irinjalakuda for over three decades.

When Mr. A.P. George (DIN 00106808) was elevated as Managing Director of the Company effective from 14th November, 2017, the post of Executive Director became vacant. Mr. M. P. Jackson (DIN 01889504) was then appointed as Executive Director of the Company effective from 12th February, 2018 in order to groom him for the post of Managing Director under the direction and guidance of Mr. A.P. George (DIN 00106808) and during the period of over three years he has gathered enough insights for leading and take the helm of affairs of the Company as Managing Director. As already explained above, Mr. M. P. Jackson (DIN 01889504) is actively involved in many social, cultural, political and developmental activities in and around Irinjalakuda for over three decades and has required business acumen to lead the Company. Mr. M. P. Jackson (DIN 01889504) was a key player in helping Mr. A.P. George (DIN 00106808) in leading the Company towards the path of growth, that too in the difficult times of restrictions on account of the spread of Covid-19. The turnover and operations of the Company and the profitability of the Company improved remarkably as discussed in the Directors Report and other allied reports forming part of Annual Report for the year 2020-2021. Further, the Board is of the opinion that Mr. M.P. Jackson (DIN 01889504) has already been groomed by Mr. A.P. George during his tenure as Managing Director to take over the mantle from him and he is well versed with the working and administration of the affairs of the company on the basis of his experience and hence it is felt that he is the most competent person to be appointed as the Managing Director of the company on the expiry of the term of office of Mr. A.P. George as Managing director of the Company with effect from 30th September, 2021.

Mr. M.P. Jackson (DIN 01889504) shall attain the age of 70 years on 19th November, 2022, during his term of appointment as Managing Director and as an abundant caution and in terms of Clause (a) of Sub-section (3) of Section 196 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the Resolution No.8 is moved as a special resolution.

Mr. M. P. Jackson (DIN 01889504) satisfies the conditions laid down in Schedule V to the Companies Act, 2013 as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment as Managing 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. M. P. Jackson (DIN 01889504), 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. P. Jackson (DIN 01889504) to the extent of remuneration payable to him, is concerned or interested, financial or otherwise, in the resolution.

The Board of Directors recommends the resolution in relation to the appointment of Mr. M. P. Jackson (DIN 01889504) as Managing Director, for the approval of the shareholders of the Company with requisite majority.

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 2020-2021	₹ in Lakhs	
		Total Revenue – Revenue from operations and Other Income	155157.30	
		Profit Before tax	14968.80	
		Tax Expense	3675.77	
		Total comprehensive income (net of tax)	11225.21	
		Net worth	24308.62	
5.	Foreign investments or collaborations	Nil		
II			INFORMATION ABOUT APPOINTEE	
1.	Back Ground Details	As narrated above		
2.	Past Remuneration	For financial year 2020-2021 - ₹ 33.30 lakhs.		
3.	Recognition or awards	He had received FCBA Awards for the years 2014 to 2017, on behalf of Irinjalakuda Cooperative Bank Ltd., as Chairman thereof. He has received the Indian Organization for Commerce & Industry – Excellence Award for Individual contribution for National, Economic & Social Development -2016. He has been conferred with Deepika Business Excellence Award 2020.		
4.	Job Profile and his suitability	Overall management of the Company. 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. M. P. Jackson and his relatives are holding deposits under Fixed Deposit Scheme of the Company and the outstanding balance thereof as on 31.03.2021 is ₹ 97.12 lakhs and interest paid on the said deposits during year 2020-21 is ₹ 9.34 lakhs. Further, the details of certain arm's length transactions with the Company are furnished in Note No. 35.16 to the financial statements for the year ended 31 st March 2021, while disclosing related party transactions in accordance with Ind AS 24, which are outside the ambit of Section 188 of the Companies Act, 2013.		
III			OTHER INFORMATION	
1.	Reasons of loss or inadequate profits	Not applicable, as the Company has earned a total comprehensive income (net of tax) of ₹ 11,225.21 Lakhs during the year ended 31 st March, 2021.		
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 - Appointment of Mr. Paul Francis (DIN 00382797) as Executive Director

Mr. Paul Francis (DIN 00382797) was appointed by the Board as Additional Director of the Company with effect from 14th November, 2017. Pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there-under Mr. Paul Francis (DIN 00382797), was appointed as a Director of the Company in the Annual General Meeting held on 31st August, 2018. He offered himself for retirement by rotation in the Annual General Meeting held on 31st August, 2019 and was reappointed as a director in that meeting.

The period of appointment of Mr. A.P. George (DIN 00106808) as Managing Director is expiring on 30th September, 2021 and he has expressed his desire to retire from that post and also to retire from the Board, on expiry of his current term of appointment as on 30th September, 2021. Thereupon, the Board has decided to appoint the Executive Director, Mr. M.P. Jackson (DIN 01889504), as Managing Director of the Company, on the recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 30th June, 2021, for a period of five years from 1st October, 2021 to 30th September, 2026, as specified in the Resolution No. 8, subject to the approval of the members in general meeting. On appointing Mr. M.P. Jackson (DIN 01889504) as Managing Director of the Company with effect from 1st October, 2021, from that date the post of Executive Director will become vacant and the Board also decided to fill up the said vacancy by appointing Mr. Paul Francis (DIN 00382797) as Executive Director of the Company on the recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 30th June, 2021, for a period of five years from 1st October, 2021 to 30th September, 2026 on a remuneration with salary, bonus, other perquisites and allowances, as specified in the Resolution No. 9, subject to the approval of the members in general meeting.

Mr. Paul Francis (DIN 00382797), aged 53, son of Late K.L. Francis (who was Founder Managing Director of KSE Limited), after completing his higher secondary education, was involved in the family businesses and is now taking the leading role in the KLF Group of concerns. He is the Managing Director of KLF Nirmal Industries Private Limited, a successful Company having bagged many Export Awards with an annual turnover of around ₹ 200 Crores, which is mainly engaged in expelling of oil from Copra Cake and marketing of coconut oil in India and abroad. Mr. Paul Francis had informed that he will be vacating his post as Managing Director of KLF Nirmal Industries Private Limited shortly. Mr. Paul Francis also has secured the "Best Young Entrepreneur of the year Award" from Chamber of Commerce, Thrissur and the "Karshaka Mithram Award" from Rashtra Deepika Ltd.

Mr. Paul Francis (DIN 00382797) satisfies the conditions laid down in Schedule V to the Companies Act, 2013 as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment 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. Paul Francis (DIN 00382797), 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. Paul Francis (DIN 00382797) to the extent of remuneration payable to him, is concerned or interested, financial or otherwise, in the resolution.

The Board of Directors recommends the resolution in relation to the appointment of Mr. Paul Francis (DIN 00382797) as Executive Director, for the approval of the shareholders of the Company.

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 2020-2021	₹ in Lakhs
		Total Revenue – Revenue from operations and Other Income	155157.30
		Profit Before tax	14968.80
		Tax Expense	3675.77
		Total comprehensive income (net of tax)	11225.21
		Net worth	24308.62
5.	Foreign investments or collaborations	Nil	
II	INFORMATION ABOUT APPOINTEE		
1.	Back Ground Details	As narrated above	
2.	Past Remuneration	For financial year 2020-2021 (sitting fee paid) - ₹ 3.30 lakhs.	
3.	Recognition or awards	He is the Managing Director of KLF Nirmal Industries Limited, a successful Company having bagged many Export Awards with an annual turnover of around ₹ 200 Crores, which is mainly engaged in expelling of oil from Copra Cake and marketing of coconut oil in India and abroad. Mr. Paul Francis also has secured the “Best Young Entrepreneur of the year Award” from Chamber of Commerce, Thrissur and the “Karshaka Mithram Award” from Rashtra Deepika Ltd.	
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:	He is not related to any other Director or Key Managerial Personnel of the Company. He does not have any pecuniary relationship, directly or indirectly with the Company, apart from his remuneration as Executive Director and his rights as a Shareholder. Further, the details of certain arm’s length transactions with the Company are furnished in Note No. 35.16 to the financial statements for the year ended 31 st March 2021, while disclosing related party transactions in accordance with Ind AS 24, which are outside the ambit of Section 188 of the Companies Act, 2013.	
III	OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	Not applicable, as the Company has earned a total comprehensive income (net of tax) of ₹ 11,225.21 Lakhs during the year ended 31 st March, 2021.	
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 - Appointment of Mr. Dony A.G. (DIN 09211623) as Director

The period of appointment of Mr. A.P. George (DIN 00106808) as Managing Director is expiring on 30th September, 2021 and he has expressed his desire to retire from that post and also to retire from the Board, on expiry of his current term of appointment as on 30th September, 2021. Mr. A.P. George is one of the promoter directors of the Company. He has expressed his desire to appoint his elder son Mr. Dony A.G. (DIN 09211623) as Director of the Company. Upon the recommendation of the Nomination and Remuneration Committee, the Board, in their meeting held on 30th June, 2021 has decided to recommend to the members the candidature of Mr. Dony A.G. (DIN 09211623) for the directorship of the Company.

Mr. Dony A.G., aged 57, hailing from a leading business family, engaged in oil milling, is the elder son of Mr. A.P. George, one of the Promoter Directors of the Company and also currently the Managing Director of the Company, has graduated in B.Sc. (Physics), has LLB from Kerala University and has secured Master of Marketing Management from Pondicherry University. He is currently the general manager of M/s. Joseph Rubber Pvt. Limited, Kanjirapally and is also acting as consultant for UNPA Rubber Pvt. Ltd., Kothamangalam and for Beroe Inc. USA.

In accordance with the provisions of Section 160 of the Act, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. Dony A.G. (DIN 09211623) to the office of director of the Company.

In the opinion of the Board, Mr. Dony A.G. (DIN 09211623) fulfils the conditions for his appointment as a director as specified in the Companies Act, 2013.

This statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further information about Mr. Dony A.G. (DIN 09211623), 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 (DIN 00106808), is concerned or interested, financial or otherwise, in the resolution.

The Board of Directors recommends the resolution in relation to the appointment of Mr. Dony A.G. (DIN 09211623) as Director of the Company, liable to retire by rotation, for the approval of the shareholders of the Company.

Irinjalakuda
30th June, 2021

By Order of the Board
For KSE Limited

REGISTERED OFFICE
Solvent Road, Irinjalakuda – 680121
Thrissur – KERALA.
CIN : L15331KL1963PLC002028
Web Site : www.kselimited.com
E Mail : investor.relations@kselimited.com
Phone : +91480 2825476; 2825576 (Extn: 212)

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 7 & 8
Name of Directors	Ms. Danesa Raghulal (DIN: 07975553)	Dr. Pyarelal K.C. (DIN: 00923913)	Mr. M.P. Jackson (DIN: 01889504)
Date of Birth	08/08/1994	16/04/1966	19/11/1952
Date of Appointment	31/08/2018	31/08/2018	14/11/2017
Qualification	B. Sc.	M.D. (Radio-Diagnosis)	B. Sc. (Physics) appeared
Experience	She hails from a business family based at Thrissur, with a string of academic excellence and professional achievements including working in the startup space. She has done her Bachelors of Science in Entrepreneurship and Strategic Management from Babson College, Boston - ranked #1 for entrepreneurship globally with having achieved the Dean's List.	He is son of Late K. S. Chathunny who was a leading businessman of Thrissur and was also a Director of KSE Limited for many years until his death in 1990. He has taken his M.D. (Radio-Diagnosis) from Kasturba Medical College, Manipal and is currently the Head of Department of Radiology at Elite Mission Hospital, in which he is also a Partner. He had active roles in organizing many conferences and symposiums during his professional career in Radio-diagnosis. He had held the positions of President and Secretary in the Kerala branch of Indian Radiological and Imaging Association. Being a sports enthusiast he was the President of Kinattungal Trichur Tennis Trust.	Mr. M. P. Jackson son of Late M.C. Paul, after completing his BSc. (Physics) course, has involved in the family businesses and is now heading the MCP Group of concerns. He was Chairman of Irinjalakuda Municipality for two terms spanning over a period of nearly seven years. He is also Chairman of Irinjalakuda Town Co-operative Bank and President of Irinjalakuda Co-operative Hospital. He is actively involved in many social, cultural, political and developmental activities in and around Irinjalakuda for over three decades.
Directorships held in other Public Limited companies	Nil	Nil	Nil
Memberships / Chairmanships of committees of other Public Limited companies	Nil	Nil	Nil
Number of shares held in the Company as on 31.03.2021	5000	23126	44,838

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

Resolution No.	Item 9	Item 10
Name of Directors	Mr. Paul Francis (DIN: 00382797)	Mr. Dony A.G. (DIN: 09211623)
Date of Birth	30/01/1968	30/04/1964
Date of Appointment	14/11/2017	Proposal for his appointment as director is placed before the members in the AGM
Qualification	HSE	B.Sc. (Physics), LLB Master of Marketing Management
Experience	Mr. Paul Francis is son of Late K.L. Francis, who was Founder Managing Director of KSE Limited. After completing his higher secondary education, he was involved in the family businesses and is now taking the leading role in the KLF Group of concerns. He is currently the Managing Director of KLF Nirmal Industries Private Limited, a successful Company having bagged many Export Awards with an annual turnover of around ₹ 200 Crores, which is mainly engaged in expelling of oil from Copra Cake and marketing of coconut oil in India and abroad. Mr Paul Francis has informed that he will be vacating the office as Managing Director of M/s. KLF Nirmal Industries Private Limited shortly. Mr. Paul Francis also has secured the "Best Young Entrepreneur of the year Award" from Chamber of Commerce, Thrissur and the "Karshaka Mithram Award" from Rashtra Deepika Ltd.	He hails from a leading business family, engaged in oil milling, is the elder son of Mr. A.P. George, Managing Director. He is currently the general manager of M/s. Joseph Rubber Pvt. Limited, Kanjirapally and is also acting as consultant for UNPA Rubber Pvt. Ltd., Kothamangalam and for Beroe Inc. USA.
Directorships held in other Public Limited companies	Nil	Nil
Memberships / Chairmanships of committees of other Public Limited companies	Nil	Nil
Number of shares held in the Company as on 31.03.2021	23,701	11582

BOARD'S REPORT

Your Directors are pleased to present the 57th Annual Report and the audited accounts for the financial year ended 31st March 2021.

Financial Highlights

	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Revenue from Operations	1,54,326.47	1,42,851.82
Earnings Before Taxes, Finance Costs, Depreciation and Amortization	14,691.21	3,041.48
Less : Finance Costs	148.39	152.71
Less : Depreciation and Amortisation expense	242.16	280.70
Profit Before Exceptional Item and Tax	14,300.66	2,608.07
Exceptional Item	(668.14)	—
Profit Before Tax	14,968.80	2,608.07
Less : Tax Expense	3,675.77	718.17
Profit After Tax	11,293.03	1,889.90
Other Comprehensive Income (net of tax)	(67.82)	(84.97)
Total Comprehensive Income	11,225.21	1,804.93
Opening balance in Retained Earnings	3,985.02	3,758.76
AMOUNT AVAILABLE FOR APPROPRIATION	15,210.23	5,563.69
Dividend distributed during the year - Final and Interim	1,120.00	480.00
Dividend Distribution Tax on above	—	98.67
Transfer to General Reserve	5,500.00	1,000.00
Closing Balance in Retained Earnings	8,590.23	3,985.02

Dividend

Your Directors recommend a final dividend of 850 % (₹ 85.00 per share of ₹ 10 each) for the year ended 31st March, 2021 and including the interim dividend of 150 % (₹ 15.00 per share of ₹ 10 each) already distributed for the said year, the total dividend for the year will be 1000 % (₹ 100.00 per share of ₹ 10 each) that will be paid out of the profits of the Company for the year ended 31st March, 2021, absorbing a total amount of ₹ 32 crores. The dividend income will be taxable in the hands of shareholders and income-tax at source will be deducted by the Company from the dividend being paid to the shareholders at the prescribed rates.

The final dividend of ₹ 85 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30th June, 2021, 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 29th September 2021. 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 22nd September, 2021 as per the details furnished by the depositories for this purpose."

The dividend payout for the year 2020-2021 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 the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend up to and including for the financial year 2012-2013 on due date to the Investor Education and Protection Fund administered by the Central Government.

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of the Unclaimed Dividends as on 31st March, 2020 relating to the financial years from 2012-2013, on the website of the IEPF (www.iepf.gov.in) and on the website of the Company at www.kselimited.com.

The dates of declaration of Dividend since 2013-2014 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the following table:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Unclaimed amount as on 31 st March 2021	Due date for Transfer to Investor Education and Protection Fund
2013-14 (Final)	25 September, 2014	24 September, 2021	10,19,680.00	01 November 2021
2014-15 (Interim)	12 February, 2015	11 February, 2022	5,35,600.00	19 March 2022
2014-15 (Interim)	25 March, 2015	24 March, 2022	9,91,240.00	02 May 2022
2014-15 (Final)	19 September, 2015	18 September, 2022	9,46,520.00	26 October 2022
2015-16 (Final)	31 August, 2016	30 August, 2023	12,62,700.00	08 October 2023
2016-17 (Final)	31 August, 2017	30 August, 2024	14,30,250.00	08 October 2024
2017-18 (Final)	31 August, 2018	30 August, 2025	15,90,660.00	08 October 2025
2018-19 (Final)	31 August, 2019	30 August, 2026	3,84,840.00	08 October 2026
2020-21 (Interim)	15 September, 2020	14 September, 2027	6,04,613.60	23 October 2027
2019-20 (Final)	15 December, 2020	14 December, 2027	7,81,122.00	23 January 2028

Transfer to Reserves

The Company proposes to transfer ₹5,500 lakhs to the General Reserve out of the amount available for appropriations and an amount of ₹8,590.23 lakhs is proposed to be retained as Surplus.

Operating Results and Business Operations

During the year ended 31st March, 2021, the Revenue from Operations improved by 8.03 % to ₹1543 crores from ₹1428 crores, ₹115 crores in absolute terms. The increase in revenue is due to increased volume of sales of feed coupled with increase in the volume and value of coconut oil, even though the selling price of feed was less compared to previous year.

The over-all profit after tax was ₹112.25 crores in the year 2020-21 compared to ₹18.05 crores in the previous year. Despite the challenges we had to face on account of the lock down and other issues on account of spread of Covid-19, we could improve the revenue as well as margin, due to several favourable conditions. The Earnings Per Share also improved to ₹352.91 per share compared to ₹59.06 in the previous year 2019-20.

The year to year average cattle feed raw material price had reduced by 9.75% and the year to year average selling price of feed had decreased by 3.19%. The monthly average cattle feed ingredient cost was more or less stable throughout the year. The sales volume of feed has increased to 5.94 lakhs tons in year 2020-21 compared to previous year volume of 5.57 lakhs tons, even though the main feed plant at Irinjalakuda had to be shut down for over a month in July and August, 2020. Since the raw material price was stable throughout the year the feed division could generate handsome profits. The feed division generated a profit of ₹105.21 crores compared to previous year profit of ₹28.84 crores.

In the cake processing division, the availability of copra cake from Kerala and Tamil Nadu was seriously affected. We had to continue to depend mainly on the imported copra cake for our processing during the year 2020-21 also. Local content of the total copra cake processed during the year 2020-21 is alarmingly at 17.44 %, where as the 82.56 % was managed by imports. As a result of world wide spread of the Covid-19, the sea freight has more than doubled and this has seriously affected the cost of imported cake. Also there is drastic cut in the availability of copra cake in the international market. In year 2020-21 copra cake processed was 1.24 lakh tons as against 1.09 lakh tons of copra cake in year 2019-2020, registering a volume increase by 13.83 %. There was good demand for refined oil and as a result, we could clear the huge stock of oil that we were holding in the previous year end. The selling rate of coconut oil also improved during the year and this has helped us to generate profits in that division, even though the cost of copra cake was going up. The monthly average selling price of refined coconut oil dipped to the level of ₹114/kg in the first quarter of financial year 2020-21 has later improved to ₹188/kg. in the last quarter of the same financial year. The volume of oil sold has also improved to 11,452 tons in place of 9565 tons in the previous year. The high price for the coconut oil along with the increase in the volume handled in the cake processing division had helped to generate good profit even though the average cost of cake has gone up by nearly 7.74 % on a year to year basis. The cake processing division reported an excellent result with a profit of ₹35.37 crores as against previous year loss of ₹3.83 crores.

In order to establish a considerable market share for Vesta Ice Cream, we had committed for a heavy budget for ice cream branding during the year 2019-20. After the first wave of Covid-19 we started investing in brand building for ice cream in 2020-21. However, because of the second wave of covid-19, the exercise could not give the expected results. As such we have to build up the brand again after the pandemic ends. Also there was only thin margin on milk sales and hence taking all the factors together the Dairy division reported loss. The volume of sales of ice cream for the year 2020-21 was 716 kl. as against 1227 kl. in 2019-20 with a resultant fall of about 41.65 % in the volume.

The closure of shops on imposing lock downs and the negative impression of the public against ice cream in the covid scenario were deterrent in pushing the volume of ice cream in the year 2020-21. The Dairy division reported a loss of ₹ 162.48 lakhs in year 2020-21 against the previous year loss of ₹ 85.38 lakhs. The market for ice cream is very dull in this covid season and we have to re-establish the brand afresh after the eradication/curtailing of covid.

The demand for our feed is improving which helps us to keep the capacity utilisation and maintain the revenue. The additional funds that we had generated out of profits of the current year will help us to fund the increased quantity requirements and thus better our purchase capacity also. We are making appropriate adjustments in the selling price according to the ingredient prices keeping in consideration all the related situations. As we are in agro based business, the weather across the country is a critical factor for agricultural production. The forecast of a normal monsoon is expected to result in a surplus crop, thus keeping the ingredient prices low.

In the cake processing division, we have to process around 1.25 lakhs tons of copra cake, to meet our requirements for deoiled copra cake, which is one of the major ingredients in our feed. Very insignificant quantity of copra cake is available locally. As such we are more dependent on imports, where also the copra cake has become dearer due to reduced supply and exorbitant freight. The cost of imported cake has increased more than 60% in the international market. The fluctuation of the rupee rate against dollar may increase the cost further. At the same time the coconut oil price is slipping and the demand for our oil is also very sluggish now. Our stock of coconut oil is expected to be built up for a short span of time. We believe that these are only short term phenomenon and situation will improve in a couple of months. We have ensured steady supply of copra cake by booking shipments in advance. We expect a smooth running of this division with reasonable profits under the present circumstances.

The second phase of corona virus, has highly affected the operations of the Dairy division, though we are allowed to operate the Dairy plants. The proclamation of lock down in Kerala, continuous for about two months now, has seriously affected our market for ice cream and milk. There is a drastic decline in the ice cream consumption due to the absence of festivals and celebrations. Further, consumers for ice cream are shying away from having ice cream, on the fear of the virus. We are unable to predict how long the impact of corona virus will continue and hence we are projecting a somber future in the short run for the dairy division. We have to built up from the scratch with a relaunch exercise for ice cream on a big budget when the situation is favourable, to restore the brand-image for our ice cream. The margin on milk and the volume of milk handled is growing, which we hope will make good the loss on the ice cream front. As such we expect that dairy operations as a whole will surpass the difficult times with the support of other major divisions of the Company.

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 2019-2020. This Award is being received by the Company for the past 30 years consecutively since the inception of the award.

Number of meetings of the Board

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

Directors and Key Managerial Personnel

Mr. Verghese CV (DIN: 00779894), Mrs. Nina Paul (DIN: 08576074), Mr. Jose John (DIN: 01797056) and Mr. Paul Jose (DIN: 01616504) are the Independent Directors of the Company. The Independent Directors of the Company 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.

All the above four independent directors of the Company had enrolled with Indian Institute of Corporate Affairs' (IICA) within the prescribed period and had cleared the online proficiency self-assessment test as provided by Companies (Appointment and Qualification) Rules, 2019.

On expiry of first term of appointment of Mr. M.P. Jackson (DIN 01889504) as Executive Director of the Company as on 11th February, 2021 the Board, on the recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 21st January, 2021, has decided to reappoint him as Executive Director of the Company for one year from 12th February, 2021 to 11th February, 2022, subject to the approval of the members in the ensuing Annual General Meeting. Accordingly, an Ordinary Resolution has been moved in the ensuing annual general meeting for the approval of the members for the reappointment and remuneration of Mr. M.P. Jackson (DIN 01889504).

The period of appointment of Mr. A.P. George (DIN 00106808) as Managing Director is expiring on 30th September, 2021 and he has expressed his desire to retire from that post and also to retire from the Board, on expiry of his current term of appointment as on 30th September, 2021. Thereupon, the Board has decided to appoint Mr. M.P. Jackson (DIN 01889504) as Managing Director of the Company, on the recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 30th June, 2021, for a period of five years from 1st October, 2021 to 30th September, 2026, subject to the approval of the members in general meeting. Mr. M.P. Jackson (DIN 01889504) shall attain the age of 70 years on 19th November, 2022, during his term of appointment as Managing Director and as an abundant caution and in terms of Clause (a) of Sub-section (3) of Section 196 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the resolution for approval of his appointment as Managing Director of the Company has been moved as a special resolution in the ensuing annual general meeting.

On appointing Mr. M.P. Jackson (DIN 01889504) as Managing Director of the Company with effect from 1st October, 2021, the post of Executive Director will become vacant and the Board also decided to fill up the said vacancy by appointing Mr. Paul Francis (DIN 00382797) as Executive Director of the Company on the recommendation of the Nomination and Remuneration Committee, in their respective meetings held on 30th June, 2021, for a period of five years from 1st October, 2021 to 30th September, 2026. Accordingly, an Ordinary Resolution has been moved in the ensuing annual general meeting for the approval of the members for the appointment and remuneration of Mr. Paul Francis (DIN 00382797).

The Board has decided to fill up the vacancy of directorship of Mr. A.P. George (DIN 00106808) on his retirement as Managing Director as on 30th September, 2021, by appointing Mr. Dony A.G. (DIN 09211623) as Director of the Company and an ordinary resolution has been moved in the ensuing annual general meeting for his appointment as a director. The Company has received a notice u/s 160 of the Companies Act, 2013 from a Member of the Company signifying his intention to propose the candidature of Mr. Dony A.G. for the office of the Director of the Company.

In accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Listing Regulations and the Articles of Association of the Company, the Independent Directors, the Managing Director and Executive Director of the Company are not liable to retire by rotation.

Mr. A.P. George, Managing Director, Mr. M.P. Jackson, 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.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Danesa Raghulal (DIN : 07975553) and Dr. Pyarelal K.C. (DIN : 00923913) will retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

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. Currently, the sitting fees payable to the non-executive directors is ₹ 20,000 per meeting of the Board and ₹ 15,000 per meeting of committees of the Board attended by them. The Nomination and Remuneration Policy for the Members of Board and Executive Management can be accessed on the Company's website at the link: <http://kselimited.com> under Investor Relations.

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 can be accessed on the Company's website at the link: <http://kselimited.com> under Investor Relations.

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have evaluated the effectiveness of the Board during the financial year ended 31st March, 2021. 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

Adequate internal financial controls are in place with reference to the financial statements. Internal financial control systems of the Company have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable Accounting Standards. 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, organisational 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 develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report. The "KSEL Whistle Blower Policy and Vigil Mechanism" can be accessed on the Company's website at the link : <http://kselimited.com/whistleblower.aspx>.

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2021 and of the profit of the Company for the financial year ended 31st March, 2021;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Corporate Governance

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

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee has been formed in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition, terms of reference and attendance details of the CSR Committee are incorporated in the Corporate Governance Report. The Annual Report on CSR activities for the year ended 31st March, 2021 is given separately as "Annexure A", forming part of this Report.

Public Deposits

Your Company is accepting deposits as per the provisions 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 B".

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 Companies Act, 2013 (the "Act"). Full disclosure of related party transactions as per Accounting Standard Ind AS 24 issued by the Institute of Chartered Accountants of India is given under Note No. 35.16 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 C" in Form AOC-2 and the same forms part of this report.

Annual return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2021 is available on the website of the Company at www.kselimited.com.

Statutory Auditors

M/s. Sridhar & Co. (ICAI Firm Registration No. 003978S) have been appointed as the statutory auditors of the company at the 56th Annual General Meeting from the conclusion of 56th Annual General Meeting until the conclusion of the 61st annual general meeting of the Company to be held in the year 2025, for the audit of accounts relating to the years ending 31st March, 2021 to 31st March, 2025.

The Auditor's Report for the financial year 2020-2021 on the financial statements of the Company is part of this Annual Report. The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended 31st March, 2021.

Cost Auditors

With the prior approval of Central Government, M/s. A. R. Narayanan & Co., Cost Accountants, Ernakulam (Firm registration number 101421) have been appointed as Cost Auditors for the financial year 2020-21 and they will be submitting their Cost Audit Report within the time limit stipulated. The Board of Directors of the Company, on the recommendations made by the Audit Committee, has appointed M/s. A. R. Narayanan & Co., Cost Accountants, Ernakulam (firm registration number 101421) as the Cost Auditor of the Company to conduct the audit of cost records for the financial year 2021-2022. The Remuneration proposed to be paid to the Cost Auditor, subject to ratification by shareholders of the Company at the ensuing 57th Annual General Meeting, has been fixed at ₹ 2,00,000 plus GST and out of pocket expenses. The Company has received consent from M/s. A. R. Narayanan & Co., Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2021-22, along with certificate confirming their independence and arm's length relationship.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed CS. Sathish V., Practicing Company Secretary to conduct the Secretarial Audit of your Company for the financial year ended 31st March, 2021. The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed herewith as "Annexure D" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Records

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for certain areas of its operations (Edible Oil and Power Generation) and accordingly accounts and records required to get true and fair view of the cost of production of products, cost of sales, margin and other information relating to products under reference, are made and maintained by the Company.

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. The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2020-21, the Company has not received any complaint on sexual harassment and no complaint remains pending as of 31st March, 2021.

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

The information required under Section 197 of the Companies Act, 2013 and rules made there-under, in respect of employees of the Company, is provided in "Annexure E" 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 F" to this Report.

Business Responsibility Report

The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and amendments made thereto mandates inclusion of the Business Responsibility Report (BRR) as part of the Annual Report for the top 1,000 listed entities based on market capitalization. In compliance with the regulation the BRR is enclosed as "Annexure G" and forms part of the Annual Report.

Capital Expenditure

The Board has plans to purchase a suitable industrial land in Palakkad District to set up a high tech high capacity feed plant. We are also planning to purchase suitable industrial land near Mysore, which if materialised, will be used for production of cattle feed and thus cater to the northern districts of Kerala and also expand the market for our feed in Karnataka. We have been allotted 2.91 acres of land near the port by the VOC Port, Tuticorin on tender for construction of storage facilities.

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 does 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.

Special Thanks

Mr. A.P. George is retiring as Managing Director on 30th September, 2021. We wish to place on record our sincere appreciation and thanks to Sri A.P. George, one of the promoter directors, who is in the Board from the inception of the Company. He was acting as Director and Legal Advisor of the Company from 1.11.1994. Mr. A.P. George was appointed as Executive Director of the Company from 1st October, 2015 and he was elevated as Managing Director of the Company from 14th November, 2017. He was also Chairman of Stakeholders Relationship Committee from 28.09.2002 till 22.09.2015 and thereafter continued as a member of the said Committee till 13.11.2017. From 14.11.2017 he is a member in the Corporate Social Responsibility Committee.

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/-

Mr. Jose John
(DIN : 01797056)
Chairman

Irinjalakuda
June 30, 2021

“ANNEXURE A” TO BOARD’S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR YEAR ENDED 31ST MARCH, 2021

1. Brief outline on CSR Policy of KSE Limited

The CSR Policy of KSE Limited incorporates the company’s philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility. Under the Policy, the Company is committed to spend in every financial year at least 2% of its average net profits for the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Companies Act, 2013. The CSR Policy of the Company can be accessed in the Company’s website “www.kselimited.com” under Investor Relations.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Paul Francis (DIN 00382797)	Chairman, Non-independent Non-Executive Director	1	1
2	Mr. A.P. George (DIN 00106808)	Member, Non-Independent, Managing Director	1	1
3	Mr. Paul Jose (DIN 01616504)	Member, Independent, Non-Executive Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Composition of CSR committee	: http://www.kselimited.com/CompositioncommitteesBoard.aspx
CSR policy	: http://www.kselimited.com/admin/Files/13/KSE_CSR_POLICY.pdf
CSR projects	: http://www.kselimited.com

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The average CSR obligation in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years is less than ₹ 10 Crores and hence impact assessment is not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakhs)	Amount required to be setoff for the financial year, if any (₹ in lakhs)
--	--	Nil	Nil

6. **Average net profit of the company as per section 135(5)** : ₹ 4813.46 lakhs
7. (a) **Two percent of average net profit of the Company as per section 135(5)** : ₹ 96.27 lakhs
- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years** : NIL
- (c) **Amount required to be set off for the financial year, if any** : NIL
- (d) **Total CSR obligation for the financial year (7a+7b-7c)** : ₹ 96.27 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
98.40	NIL	--	--	NIL	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial Year (₹ in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
	--	--	--	--	--	--	Nil	Nil	Nil	--	--	--
	TOTAL						Nil	Nil	Nil			--

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in lakhs)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Setting up of facility for dialysis in Irinjalakuda Cooperative Hospital	(i)	Yes	Kerala	Thrissur	25.92	Direct	--	--
2	Assistance to improve need based farm facilities of dairy farmers (85 farmers benefited)	(iv)	Yes	Kerala	Thrissur	19.12	Direct	--	--
3	Covid Support - Distribution of Food packets, PPE Kits, etc, articles for first line treatment centre	(xii)	Yes	Kerala	Thrissur	16.41	Direct	--	--
4	Ambulance to Abhaya Bhavan, Irinjalakuda for the use of bedridden patients	(i) and (iii)	Yes	Kerala	Thrissur	8.26	Direct	--	--
5	Assistance to establish a common research centre with animal cell culture facility and research in St. Joseph's college, Irinjalakuda	(ii)	Yes	Kerala	Thrissur	8.00	Direct	--	--
6	Houses for flood affected victims near KINFRA Park Koratty	(xii)	Yes	Kerala	Thrissur	6.17	Direct	--	--
7	Medicines for distribution to renal patients through Pain and Palliative Care Society, Thrissur	(i)	Yes	Kerala	Thrissur	5.02	Direct	--	--
8	Essential equipments for palliative care to Hrudaya palliative care, Irinjalakuda	(i)	Yes	Kerala	Thrissur	5.00	Direct	--	--
9	For setting up of "Outdoor butterfly conservatory" in irinjalakuda	(iv)	Yes	Kerala	Thrissur	4.00	Direct	--	--
10	Covid Support - Food packets distribution	(xii)	Yes	Tamil Nadu	Dindigul	0.50	Direct	--	--
	TOTAL					98.40			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 98.40 lakhs

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	96.27
(ii)	Total amount spent for the Financial Year	98.40
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.13
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.13

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in lakhs)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in lakhs)
				Name of the Fund	Amount (₹ in lakhs)	Date of transfer	
1							
2							
3							
	TOTAL	Nil	Nil		Nil		Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in lakhs)	Amount spent on the project in the reporting Financial Year (₹ in lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakhs)	Status of the project - Completed/ Ongoing
	TOTAL				Nil	Nil	Nil	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- | | |
|--|----------------|
| (a) Date of creation or acquisition of the capital asset(s) | None |
| (b) Amount of CSR spent for creation or acquisition of capital asset | Nil |
| (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Not applicable |
| (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) | Not applicable |

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

	For KSE Limited	For KSE Limited
	Sd/-	Sd/-
Place : Irinjalakuda Date : 30.06.2021	A.P. George (DIN 00106808) Managing Director	Paul Francis, Director (DIN 00382797) (Chairman, CSR Committee)

“ANNEXURE B” TO BOARD’S REPORT

DETAILS OF DEPOSITS ACCEPTED UNDER CHAPTER V

(a)	Deposits accepted during the year	₹ 552.39 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 C” 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 arm’s 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	Nil
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/-

Mr. Jose John

(DIN : 01797056)

Chairman

Irinjalakuda
June 30, 2021

“ANNEXURE D” TO BOARD’S REPORT

SATHISH V

B.COM, LLB, PGDT, ACMA, FCS

PRACTICING COMPANY SECRETARY

B1, I FLOOR, PERIELLATH TOWERS, JAWAHAR – MAHATMA ROAD, VYTTILA P.O, COCHIN - 682019

Phone: 0484 – 4044551; 2964551; M - 9961333309 Email: sathish@sathishv.in

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s KSE LIMITED for the financial year ended on 31st March 2021 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (i) 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 Bombay 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:
- maintenance of various statutory registers and documents and making necessary entries therein;
 - closure of the Register of Members;
 - forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - notice of Board meetings and Committee meetings of Directors;
 - the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - the 56th Annual General Meeting held on 15th December, 2020;
 - minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - payment of remuneration to Directors, including the Managing Director;
 - appointment and remuneration of Auditors and Cost Auditors;
 - transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
 - declaration and payment of dividend;
 - 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;
 - transfer of certain equity shares to Investor Education and Protection Fund [IEPF] Authority, in respect of which, dividend has remained unpaid or unclaimed by the shareholders for 7 consecutive years or more;
 - borrowings and registration, modification and satisfaction of charges wherever applicable;
 - investment of the Company's funds including inter-corporate loans and investments and loans to others;
 - form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
 - preparation of Board's Report;
 - execution of contracts, affixing of common seal, registered office and publication of name of the company; and
 - generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:-
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/ directorships in other companies and interests in other entities.
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.
 - The company has obtained all necessary approvals under the various provisions of the Act.
4. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and that during the audit period, there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Sd/-
SATHISH V

Practicing Company Secretary

FCS 8005; CP 8343
UDIN : F008005C000554221

Place : Cochin
Date : 30.06.2021

SATHISH V
B.COM, LLB, PGDT, ACMA, FCS
PRACTICING COMPANY SECRETARY
B1, I FLOOR, PERIELLATH TOWERS, JAWAHAR – MAHATMA ROAD, VYTTILA P.O, COCHIN - 682019
Phone: 0484 – 4044551; 2964551; M - 9961333309 Email: sathish@sathishv.in

ANNEXURE TO SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Cochin
Date : 30.06.2021

Sd/-
SATHISH V
Practicing Company Secretary
FCS 8005; CP 8343
UDIN : F008005C000554221

**“ANNEXURE E” 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 2020-2021 is as follows:

Sl. No.	Name of Director	Total Remuneration (₹ in lakhs)	Ratio of remuneration of director to the Median remuneration
Non- executive Directors			
1	Mr. P.D. Anto	3.65	0.93
2	Mr. Paul Francis	3.30	0.84
3	Dr. K.C. Pyarelal	2.05	0.52
4	Mrs. Marykutty Varghese	2.25	0.58
5	Ms. Danesa Raghulal	2.25	0.58
6	Mr. Jose John	2.40	0.61
7	Mr. Verghese C.V.	2.65	0.68
8	Mr. Paul Jose	2.30	0.59
9	Mrs. Nina Paul	2.40	0.61
Executive Directors			
10	A.P. George	57.60	14.73
11	M.P. Jackson	33.30	8.52

Note: Please see notes under item (B) below.

B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2020-2021 are as follows:

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2020-2021	2019-2020	
1	Mr. A.P. George	Managing Director	57.60	46.36	24.25
2	Mr. M.P. Jackson	Executive Director	33.30	34.86	-4.48
3	Mr. P.D. Anto	Non- executive Director	3.65	3.70	-1.35
4	Mr. Paul Francis	Non- executive Director	3.30	3.05	8.20
5	Dr. K.C. Pyarelal	Non- executive Director	2.05	1.85	10.81
6	Mrs. Marykutty Varghese	Non- executive Director	2.25	2.05	9.76
7	Ms. Danesa Raghulal	Non- executive Director	2.25	1.90	18.42
8	Mr. Jose John	Non- executive and Independent Director	2.40	1.15	108.70
9	Mr. Verghese C.V.	Non- executive and Independent Director	2.65	1.40	89.29
10	Mr. Paul Jose	Non- executive and Independent Director	2.30	0.85	170.59
11	Mrs. Nina Paul	Non- executive and Independent Director	2.40	1.30	84.62
12	R. Sankaranarayanan	CFO and Company Secretary	52.79	52.00	1.52

Notes :1. Dr. Jose Paul Thaliyath, Mr. Joseph Xavier, Mrs. Sathi A. Menon and Mr. Paul John, all independent directors, retired from the Board in September, 2019 on expiry of their respective term of appointment. Sitting fees paid to them during the year 2019-2020 are not given above as there are no comparable figure during the year 2020-2021.

2. Mr. Verghese CV was appointed effective from 25th September, 2019, Mrs. Nina Paul was appointed effective from 1st October, 2019 and Mr. Jose John and Mr. Paul Jose were appointed effective from 1st November, 2019.

C. The percentage increase in the median remuneration of employees in the financial year: 1.77 %.

D. The number of permanent employees on the rolls of Company: 895 as on 31.03.2021.

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 1.93 %. The long term settlements with employees of Koratty, Swaminathapuram and Vedagiri are due and provision therefore has not been considered here. Negotiations with the Unions of those Units are in progress and the resultant increase in the remuneration of employees with retrospective effect has not been considered while calculating the average annual increase in salaries.

Mr. Verghese CV was appointed effective from 25th September, 2019, Mrs. Nina Paul was appointed effective from 1st October, 2019 and Mr. Jose John and Mr. Paul Jose were appointed effective from 1st November, 2019 and the amount of sitting fee paid to them during the year 2019-20 are not comparable with that given in this year 2020-2021.

The increase/change 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 the 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 2020-2021 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 2020-2021 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 F” 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. The energy produced by the wind mill has been wheeled and utilised in Swaminathapuram and Thalayuthu Units and excess energy generated in peak season has been banked and utilised later on in the above Units. This has helped 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

	2020-2021 ₹ in lakhs	2019-2020 ₹ in lakhs
Foreign Exchange Earnings	15.18	0.35
Foreign Exchange Outgo	25,079.38	14,681.00

“ANNEXURE G” TO BOARD’S REPORT

BUSINESS RESPONSIBILITY REPORT

(See Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

INTRODUCTION

The Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) has mandated the top 1000 listed entities based on market capitalization at the BSE Ltd for inclusion of a “Business Responsibility Report” (“BRR”) as part of Company’s Annual Report. The reporting framework is based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (“NVGs”)’ released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains nine Principles and Core Elements for each of those nine Principles. The report outlines the organization’s performance from the environmental, social and governance perspective and has been prepared as prescribed and in accordance with the Regulation 34 (2) (f) of the Listing Regulations and provides the information as required by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L15331KL1963PLC002028
2	Name of the Company	KSE Limited
3	Registered address	Solvent Road, Irinjalakuda - 680121 Thrissur District, Kerala, India
4	Website	www.kselimited.com
5	E-mail id	ksekerala@gmail.com
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Animal feed, extraction of oil using solvent extraction process, and dairy products including ice cream
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Animal Feed Refined Solvent Extracted Coconut Oil Deoiled coconut cake
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) b) Number of National Locations	The Company’s activities are contained within India. Eight own manufacturing locations in Kerala and Tamil Nadu Three outsourced manufacturing locations in Kerala
10	Markets served by the Company – Local/State/National/International	The Company predominantly serves the Indian Markets, mainly Kerala and Tamil Nadu and no international market is served.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	₹ 320 lakhs
2	Total Turnover	₹ 154326.47 lakhs
3	Total profit after taxes	₹ 11225.21 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.04 % of average net profit of the company for previous three years as per section 135(5) of the Companies Act, 2013

5	List of activities in which expenditure in 4 above has been incurred	<ol style="list-style-type: none"> 1. Health care 2. Education 3. Assistance to shelters for senior citizens, women and those physically challenged 4. Education and skill development 5. Animal welfare and protection of flora and fauna 6. Disaster relief (Please refer the CSR Annual Report for details)
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SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR:

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies	<ol style="list-style-type: none"> 1. 2. 3. 	DIN Number : 00106808 Name : A.P. George Designation : Managing Director
(b) Details of the BR head	<ol style="list-style-type: none"> 1. 2. 3. 4. 5. 	DIN Number : 00106808 Name : A.P. George Designation : Managing Director Telephone number : 04802825476 e-mail id : ksekerala@gmail.com

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the wellbeing of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 Businesses should respect and promote human rights
- P6 Business should respect, protect, and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

Sl. No.	Details asked for	P1 Ethics and Transparency	P2 Sustainable Products	P3 Well-being of employees	P4 Responsiveness to Stakeholders	P5 Respect Human Rights	P6 Environmental Responsibility	P7 Public policy advocacy	P8 Support inclusive growth	P9 Engagement with Customers
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The relevant policies have evolved over a period of time by taking inputs from relevant internal stakeholders. However, the Company engages with key external stakeholders on a regular basis and their concerns are noted and discussed internally which help in shaping our policies.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. Policies have been developed considering relevant national and international standards and meet national regulatory requirements such as Companies Act, 2013, the Listing Regulations and various other Statutes.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. The policies are approved by the Board/ Competent Authority to which delegation has been made by the Board.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Business Responsibility Policies are uploaded on the Company's website www.kselimited.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies are communicated to internal stakeholders and are available on the Company's internal network. If required, the policies are also shared with our external stakeholders and are published on the Company's website.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. The policies are evaluated periodically by various divisions of the Company.								

2a. If answer to Sl. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not applicable.

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year
- There is no defined frequency. Assessment is an ongoing exercise and is an inherent part of corporate functions.
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- BRR forms part of the Annual Report of the Company and the same is made available on the website of the Company at www.kselimited.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/Others?	The Company's policies relating to Governance rest on adhering to ethics, transparency in dealing with stakeholders, adequate and timely disclosure etc. All stakeholders of the Company - internal as well as external are expected to work within the framework of the aforesaid policies/principles. In the selection of its vendors and contractors, the Company ensures to identify and deal with those who can maintain and follow ethical standards. The Company further on a regular basis endeavours to reiterate awareness and also impart training on these values to its employees. The relevant stakeholders of the Company are also made aware of the said values from time to time.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.	The Vigil Mechanism Policy serves as a mechanism for its Directors and Employees to report any genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct. No complaints were received during the FY 2020-21. No Complaint was outstanding as on March 31, 2021. Further, there are no complaints received during the year relating to ethics, bribery or corruption from any stakeholders.
PRINCIPLE 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities	None of the products have any potential impact on the environment as the materials used and the process followed strictly comply with prescribed standards. The Company is manufacturing and marketing Animal feed, deoiled copra cake, coconut oil, dairy products, including ice cream.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company's procurement of materials and goods are done by the Centralised Procurement Team. The procedures laid down in this regard endeavours to protect the environment and various stakeholders. Company's integrated operations ensure sustainable exploitation of the available resources. Conscious efforts are made to ensure that everyone connected with the Company be it the designers, producers, value chain members, customers and recyclers are made aware of their responsibilities. The Company is continuously focused on internal improvements which helps in achieving operational efficiencies also resulting in energy conservation and sustainable operations.
4	Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company procures goods and services from various local and small mills and service providers as far as possible.

5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	There are no such products/waste manufactured which can be recycled and hence the Company does not have any mechanism for that. Sewage Treatment Plants are set up to recycle and treat waste-water in all the units of KSE. Units that are likely to release effluents are equipped with ETP facilities to treat effluents.
PRINCIPLE 3 : Businesses should promote the wellbeing of all Employees		
1	Total number of employees	1384 out of which 895 are permanent as on 31-03-2021
2	Total number of employees hired on temporary/contractual/casual basis	489 as on 31-03-2021
3	Number of permanent women employees	4
4	Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management	Yes
6	What percentage of your permanent employees is members of this recognized employee association?	56.75 %
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	As a policy the Company is not engaging persons below 18 years of age. There was no complaint relating to child labour, forced labour, involuntary labour or sexual harassment in the last financial year and no complaints are pending, as on the end of the financial year. Note : The above may be treated as information pursuant to provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2015
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities	All employees, both permanent and temporary are given training in the areas of safety measures and skill upgradation.
PRINCIPLE 4 : Businesses should respect the interests of, and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized		
1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	The Company is carrying out various welfare activities for the disadvantaged, vulnerable and marginalised stakeholders through its CSR programmes.
PRINCIPLE 5 : Businesses should respect and promote human rights		
1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures / Suppliers / Contractors/ NGOs/ Others?	Policies on Human Rights including the Code of Ethical Business Conduct, Anti-Sexual Harassment and the Whistleblower policies along with the Business Responsibility policy cover all aspects on Human Rights for the Company and also extends to all stakeholders of the Company.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received pertaining to human rights violation during the reporting period.

PRINCIPLE 6 : Businesses should respect, promote and make efforts to restore the environment		
1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	Sustainability is an important element of the Company's business processes. The Company encourages all its stakeholders to follow environment-friendly processes.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	As a manufacturing company, necessary mechanisms have been set up for ensuring compliance with the laws on environment. The Company is committed to be an environment friendly organisation and has a dedicated Environmental Policy across all its business units. The Company is an active player in practicing initiatives to address environmental issues and ensuring sustainable development.
3	Does the company identify and assess potential environmental risks? Y/N	Yes. The Company does have a mechanism to identify and assess potential environmental risks in its plants, projects and operations. Environmental risk identification and mitigation is ingrained in the Company's risk management system.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No, the Company has not undertaken any specific project related to the Clean Development Mechanism as per the Kyoto Protocol.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company utilises its resources in an optimal and responsible manner ensuring sustainability through reduction, re-use, re-cycling and managing waste. Continuous efforts are on to improve energy efficiency in every sphere of Company's operations. Appropriate measures to check and prevent pollution are undertaken. The Company seeks to improve its environmental performance by adopting cleaner production methods, promotion of energy efficient and environmental-friendly technologies. Suitable processes and systems are developed with contingency plans and processes that help in preventing, mitigating and controlling environmental damages caused due to the Company's operations.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The Company has not received any show cause/ legal notices from CPCB/SPCB during the financial year under review.
PRINCIPLE 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner		
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	(a) The Solvent Extractors' Association of India - SEA (b) The Compound Feed Manufacturers Association - CLFMA (c) Kerala Management Association - KMA (d) Kerala State Productivity Council - KSPC (e) The Cochin Chamber of Commerce & Industry
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. While the Company is not actively involved in lobbying, as a responsible corporate citizen, the Company as a part of major industry associations/chambers makes recommendations/representations before regulators and associations for advancement and improvement of industrial climate in India.

PRINCIPLE 8 : Businesses should support inclusive growth and equitable development		
1	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company strongly believes in the true spirit of giving back to the society a certain percentage of the profits. The Company has a well-defined CSR policy in line with the provisions of the Companies Act, 2013. The report on the CSR projects carried by the Company is annexed to the Director's Report which forms part of the Annual Report.
2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	CSR initiatives were implemented directly by the Company with in-house support.
3	Have you done any impact assessment of your initiative?	All CSR initiatives are supported by an Impact assessment to ensure that each initiative reach the community intended and provide a positive impact on their life.
4	What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	Please refer to the CSR Annual Report of the Board's Report for details of the direct contribution made by the Company during the financial year ended 31 st March 2021.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Initiatives are identified based on the requirement of the community such that the benefits out of them are of an enduring nature. – Please refer to the CSR Annual Report for the financial year ended 31 st March 2021.
PRINCIPLE 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner		
1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year	A well-established system is in place for dealing with customer feedback and complaints. All complaints are appropriately addressed and resolved, in most of the cases at the earliest. As at the end of the financial year, only a negligible percentage of unresolved complaints are pending, as compared to the size of the Company.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)	Yes. The Company displays product information on all product / goods of the Company in accordance with the Legal Metrology Act, 2011 and the applicable Rules thereunder / other laws. In addition, wherever it is considered relevant and appropriate for facilitating better usage of the product / goods by the customer, additional information about the products / goods, the use and the mode of handling thereof are also provided.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. We are taking the feel of the consumers through our officials and dealers on a regular basis, which is suitably used for improvement of our product quality.

By Order of the Board

Sd/-

Mr. Jose John
(DIN : 01797056)
Chairman

Irinjalakuda
June 30, 2021

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 three 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 four Directors as its members is functioning to assist the Board, which is regularly meeting every 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 Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

During the year 2020-2021, the Board met 11 times on the following dates:

Sl. No.	Date	Sl. No.	Date	Sl. No.	Date	Sl. No.	Date
1	28 th April, 2020	4	27 th August, 2020	7	13 th November, 2020	10	12 th February, 2021
2	28 th May, 2020	5	15 th September, 2020	8	23 rd December, 2020	11	18 th March, 2021
3	30 th June, 2020	6	15 th October, 2020	9	21 st January, 2021		

During the year 2020-2021, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, as applicable, has been placed before the Board for its consideration.

The details of members of the Board, number of equity shares of the Company held by them as on 31.03.2021, number of Board Meetings attended by them during the financial year 2020-2021, 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 15-12-2020	No. of Other Directorships *		Committee Members	
						Director	Chairman	Member	Chairman
1	Mr. A.P. George (DIN 00106808) Managing Director	Executive	50,696	11	Present	1	---	---	---
2	Mr. M.P. Jackson (DIN 01889504) Executive Director	Executive	44,838	10	Present	---	---	---	---
3	Mr. P.D. Anto (DIN 00106965) Director	Non-Executive	11,050	11	Present	---	---	---	---
4	Mr. Paul Francis (DIN 00382797) Director	Non-Executive	23,701	11	Present	---	---	---	---
5	Ms. Marykutty Varghese (DIN 07307987) Woman Director	Non-Executive	10,113	11	Present	---	---	---	---

Sl. No.	Name and Designation	Category of Director	No. of shares held	No. of Board Meeting attended	Attendance at last AGM held on 15-12-2020	No. of Other Directorships *		Committee Members	
						Director	Chairman	Member	Chairman
6	Ms. Danesa Raghulal (DIN 07975553) Woman Director	Non-Executive	5,000	11	Present	---	---	---	---
7	Dr. Pyarelal K.C. (DIN 00923913) Director	Non-Executive	23,126	11	Present	---	---	---	---
8	Mr. Jose John, Chairman (DIN 01797056)	Non-Executive Independent	Nil	11	Present	---	---	---	---
9	Mr. Verghese C.V., (DIN 00779894) Director	Non-Executive Independent	Nil	11	Present	---	---	---	---
10	Mr. Paul Jose, (DIN 01616504) Director	Non-Executive Independent	1302	11	Present	---	---	---	---
11	Mrs. Nina Paul (DIN 08576074) Woman Director	Non-Executive Independent	21,327	11	Present	---	---	---	---

* For the above, only Directorships in Public Limited Companies are taken into consideration. None of the Directors of the Company are Director in any other listed company.

3. Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Independent Directors are independent of the management and fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Each one of the existing four independent directors have empaneled with the online databank maintained by Indian Institute of Corporate Affairs (IICA) as provided by Companies (Appointment and Qualification) Rules, 2019 within the prescribed time thereto and have successfully qualified the Online Proficiency Self-Assessment test conducted by IICA well within the permitted time.

A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. www.kselimited.com.

The provisions of Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with as the Independent Directors of the Company do not serve as Independent Director in any other listed companies. Further, the Managing Director and Executive Director of the Company do not serve in any other listed entity as an Independent Director.

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

During the year 2020-2021, one meeting of the Independent Directors was held on 18th March, 2021 and all the Independent Directors were present at this Meeting. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and also evaluated the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

None of the Independent Directors of the Company has resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

4. Skills, expertise and competencies of Board

The key qualifications, skills, expertise, competencies and attributes which are taken into consideration while nominating candidates to serve on the Board are the following:

- i. Leadership: Ability to understand and channel the capabilities of the other members towards the corporate goal with practical understanding of organisations, processes, strategic planning and risk management. Demonstrates strength in developing talent, succession planning, management of change and long-term growth.
- ii. Technology : Significant knowledge in technology, understanding the technological trends, technological innovation, ability to bring out new technological models.
- iii. Sales and Marketing : Experience in developing strategies to improve the sales and market share, build brand awareness and enhance enterprise reputation.
- iv. Governance and Board Service : Developing insights about maintaining board and management accountability, protecting shareholders' interests and observing appropriate governance practices.
- v. Ethnic national or other diversity: Representation of gender, ethnic, geographic, cultural or other perspectives that enhance the understanding of the Board with respect to the needs and views of customers, suppliers, employees, government and other stakeholders.
- vi. Financial: Management of financial function of an enterprise, resulting in proficiency in complex financial management, capital allocation, financial reporting processes with an experience in actively supervising the Chief Financial Officer, Internal Auditors, Statutory Auditors or others who perform similar functions.
- vii. Practical Knowledge : Practical knowledge of the industry, mainly that of feed industry and oil extraction, market conditions, situation and surroundings of the farmers and their issues and needs at village level.

Areas of Skills/Expertise/competence of Directors

Sl. No.	Name of Director	Areas of Skills/Expertise/competence						
		Leadership	Technol-ogy	Sales and Marketing	Gover-nance and Board Service	Ethnic national or other diversity	Financial	Practical Knowl-ledge
1	Mr. A.P. George	✓			✓	✓		✓
2	Mr. M.P. Jackson	✓		✓	✓		✓	✓
3	Mr. P.D. Anto			✓		✓		✓
4	Mr. Paul Francis	✓	✓			✓		✓
5	Dr. K.C. Pyarelal		✓		✓	✓	✓	✓
6	Mrs. Marykutty Varghese		✓	✓		✓		✓
7	Ms. Danesa Raghulal	✓	✓	✓				✓
8	Mr. Jose John	✓		✓	✓		✓	✓
9	Mr. Verghese C.V.	✓			✓	✓	✓	✓
10	Mr. Paul Jose			✓	✓	✓	✓	✓
11	Mrs. Nina Paul	✓			✓	✓		✓

5. 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 constituted with three members. Mr. Verghese C.V. (DIN 00779894), who is a practising chartered accountant in Thrissur, is the Chairperson to the Audit Committee. Mr. Jose John (DIN 01797056), another independent director, and Mr. M.P. Jackson (DIN 01889504), Executive Director are the other members in the Audit Committee. The previous annual general meeting of the Company held on December 15, 2020 was attended by Mr. Verghese C.V. (DIN 00779894), the Chairman 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 CFO, after assessing his qualifications, experience and background, etc.

The Audit Committee had met four times in the year 2020-2021 and the attendance of each member of the Committee was as follows:

Date of Meeting	Mr. Jose John	Mr. Verghese C.V.	Mr. M.P. Jackson
30/06/2020	Present	Present	Present
15/09/2020	Present	Present	Present
13/11/2020	Present	Present	Present
12/02/2021	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.

6. 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 three members, out of which two are independent directors. Mr. Verghese C.V. (DIN 00779894), Mr. Paul Jose (DIN 01616504) and Dr. Pyarelal K.C. (DIN 00923913) are the members of the Committee. Mr. Paul Jose (DIN 01616504) 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 2020-2021 and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. Paul Jose	Mr. Verghese C.V.	Dr. Pyarelal K.C.
23/12/2020	Present	Present	Present
21/01/2021	Present	Present	Present

The previous annual general meeting of the Company held on December 15, 2020 was attended by Mr. Paul Jose, the Chairman of the Nomination and Remuneration Committee.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board. The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process. The Nomination and Remuneration Policy and the Performance Evaluation Policy of the Company are available on the web site of the Company at <http://www.kselimited.com/evaluationpolicy.aspx>. Disclosures included herein may be considered as compliance under Section 178 of the Companies Act, 2013.

7. 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 2020-2021 are as follows:

Sl. No.	Name	DIN	Designation	Salary and allowances ₹ in lakhs	Other Benefits ₹ in lakhs	Sitting Fee ₹ in lakhs	Total ₹ in lakhs
1	Mr. A.P. George	00106808	Managing Director	42.48	15.12	---	57.60
2	Mr. M.P. Jackson	01889504	Executive Director	30.38	2.92	---	33.30
3	Mr. P.D. Anto	00106965	Director	---	---	3.65	3.65
4	Mr. Paul Francis	00382797	Director	---	---	3.30	3.30
5	Dr. K.C. Pyarelal	00923913	Director	---	---	2.05	2.05
6	Mrs. Marykutty Varghese	07307987	Director	---	---	2.25	2.25
7	Ms. Danesa Raghulal	07975553	Director	---	---	2.25	2.25
8	Mr. Jose John	01797056	Director	---	---	2.40	2.40
9	Mr. Verghese C.V.	00779894	Director	---	---	2.65	2.65
10	Mr. Paul Jose	01616504	Director	---	---	2.30	2.30
11	Mrs. Nina Paul	08576074	Director	---	---	2.40	2.40

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

8. 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 (DIN 00106965), Non-executive Director, is the Chairman of the Committee. In compliance of Regulation 20 (2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Nina Paul (DIN 08576074), Independent Director also is a member of the Stakeholders' Relationship Committee. Ms. Marykutty Varghese (DIN 07307987) and Ms. Danesa Raghulal (DIN 07975553), Non-executive Directors, 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 2020-2021, no complaints were received from shareholders. No complaint/query was pending reply and no share transfer was pending for registration. The previous annual general meeting of the Company held on December 15, 2020 was attended by Mr. P.D. Anto, the Chairman of the Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee had met four times in the year 2020-2021 and it was attended as follows:

Date of Meeting	Mr. P.D. Anto	Ms. Danesa Raghulal	Mrs. Marykutty Varghese	Ms. Nina Paul
30/06/2020	Present	Present	Present	Present
14/09/2020	Present	Present	Present	Present
12/11/2020	Present	Present	Present	Present
11/02/2021	Present	Present	Present	Present

9. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee has been constituted in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Mr. Paul Francis (DIN 00382797) as the chairman of the Committee. Mr. A.P. George (DIN 00106808), Managing Director and Mr. Paul Jose (DIN 01616504), Independent Director are the other members of the Committee. The Committee's terms of reference include the following:

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

During the year ended 31st March, 2021, the CSR Committee met once and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. Paul Francis	Mr. A. P. George	Mr. Paul Jose
09/11/2020	Present	Present	Present

10. General Body Meetings

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

Name of Meeting	Date	Time	Venue
54 th Annual General Meeting	31 st August, 2018	3.00 p.m.	KSE Limited, Registered Office, Solvent Road, Irinjalakuda, Thrissur District, Kerala- 680121
55 th Annual General Meeting	31 st August, 2019	3.00 p.m.	
56 th Annual General Meeting	15 th December, 2020	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.
54 th AGM	Appointment of Mr. A.P. George as Managing Director for the period from 14.11.2017 to 30.09.2018. Reappointment of Mr. A.P. George as Managing Director for three years from 01.10.2018 to 30.09.2021. Handing over of car and payment of ₹ 7.50 lakhs to Mrs. Annie Paul, wife of Late M.C. Paul, Ex-Managing Director as Posthumous retirement benefits with respect to the services of Late M.C. Paul. Note: The above three special resolutions moved in the AGM could not be passed as the requisite majority of votes in favour of the resolutions could not be obtained, but votes cast in favour of the motion exceed the votes cast against the motion and there was simple majority of votes in favour of the resolutions.
55 th AGM	Reappointment of Dr. Jose Paul Thaliyath (DIN 01773031) as an Independent Director for a second term. Reappointment of Mr. Joseph Xavier (DIN 02943750) as an Independent Director for a second term. Reappointment of Mr. Paul John (DIN 00601440) as an Independent Director for a second term. Note: The above three special resolutions moved in the AGM could not be passed as the requisite majority of votes in favour of the resolutions could not be obtained and the motions failed.
56 th AGM	No Special Resolution moved in the meeting.

No resolution was passed through Postal Ballot. In the 54th and 55th Annual General Meetings, 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. In the 56th Annual General Meeting, held through VC/OAVM, along with remote e-voting provision for e-voting was also given while the Annual General Meeting was in progress. The voting pattern of the said meeting is provided in the Companies web-site "www.kselimited.com" under investor relations.

In the 57th Annual General Meeting, along with the facility of remote e-voting, facility for e-voting during the meeting also will be provided for all resolutions to be passed in the meeting. The procedure for remote e-voting and voting during the course of annual general meeting has been given in detail in the notes forming part of Notice to the 57th Annual General Meeting attached to the Annual Report for the year 2020-2021. No resolution is proposed to be conducted through postal ballot in the ensuing 57th Annual General Meeting.

11. Means of Communication

Regularly the Company is publishing extracts of quarterly/half yearly/nine months unaudited financial results and audited annual financial results and the notices of Board meetings in 'Business Line' English daily and 'Mathrubhumi/Malayala Manorama' Malayalam dailies. The Company has posted the quarterly/half yearly/nine months unaudited results and audited annual financial results in the Company's website www.kselimited.com. The aforesaid results are also announced to the Stock Exchange as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto in the respective financial year. The Annual Report is also posted in Company's website "www.kselimited.com" and can be downloaded.

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

12. General Shareholder Information

- | | |
|---|---|
| a) AGM - Date, time and venue | Wednesday, 29 th September, 2021 at 3.00 p.m.
KSE Limited, Registered Office,
Solvent Road, Irinjalakuda - 680 121. |
| b) Financial Year | 1 st April 2021 to 31 st March 2022 |
| Unaudited Results for First Quarter | On or before 14 th August, 2021 |
| Unaudited Results for Second Quarter | On or before 14 th November, 2021 |
| Unaudited Results for Third Quarter | On or before 14 th February, 2022 |
| Audited Results for year ending 31 st March 2022 | On or before 30 th May, 2022 |
| c) Dividend Payment Date | Interim Dividend of ₹ 15 per equity share of ₹ 10 each has been already distributed in the month of November, 2020. In addition to that a final dividend of ₹ 85 has been recommended for the year 2020-2021 by the Board of Directors at its meeting held on 30 th June, 2021 and subject to the approval of the shareholders at the ensuing Annual General Meeting, the same will be paid/ dispatched in the month of October, 2021 as follows: <ol style="list-style-type: none"> 1. in respect of the shares held in physical form, to those Members, whose names appear in the Register of Members as on September 29, 2021, after giving effect to all valid share transfers in physical form lodged on or before September 22, 2021. 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 September 22, 2021. <p style="text-align: right;">Book Closure Date September 23, 2021 to September 29, 2021
(both days inclusive)</p> |
| 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 2021-2022. |

e) Stock Code

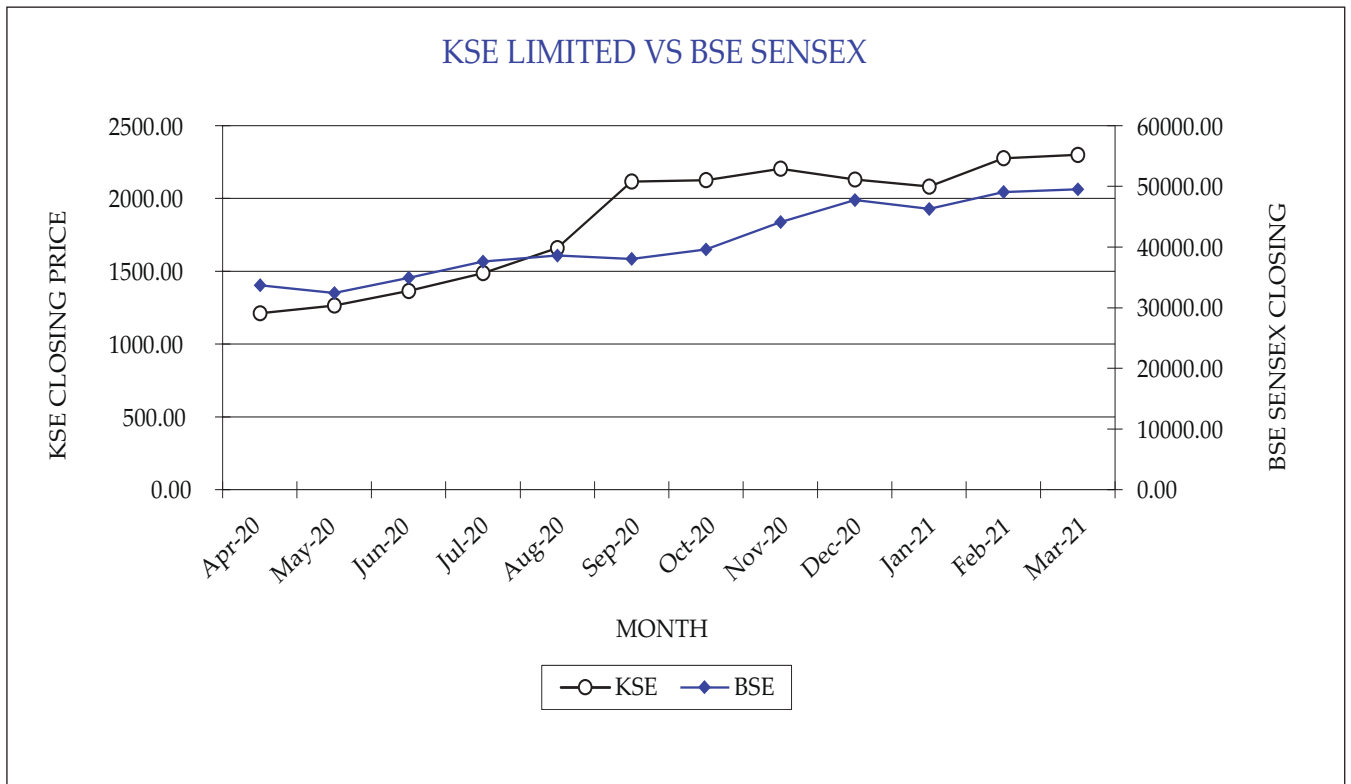
BSE Limited 519421

f) Market Price Data

The monthly high and low prices and monthly volumes of the Company's shares at BSE for the year ended 31st March, 2021 are given below:

Month	High (₹)	Low (₹)	Volume (nos.)
April, 2020	1299.55	1057.05	11803
May, 2020	1285.00	1139.00	8830
June, 2020	1472.90	1235.00	14137
July, 2020	1648.00	1413.10	15023
August, 2020	1795.00	1477.00	15139
September, 2020	2190.00	1600.00	34079
October, 2020	2250.00	2000.05	19470
November, 2020	2432.45	1960.00	26524
December, 2020	2297.70	1925.00	17547
January, 2021	2187.00	2050.00	15596
February, 2021	2620.40	2083.00	34830
March, 2021	2370.00	2241.00	14730

g) The Chart below shows the performance of your Company's share price in comparison with BSE Sensex during the financial year 2020-2021 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
 "Surya", 35, Mayflower Avenue,
 Behind Senthil Nagar, Sowripalayam Road
 Coimbatore – 641 028.
 Phone : 0422 4958995, 2539835, 2539836; 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 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. The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within the prescribed period from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

k) Distribution of share holding

No. of shares held	As at 31 st March, 2021			
	No. of Folios	%	No. of Shares	%
1 to 500	5509	91.07	425161	13.29
501 to 1000	197	3.26	151604	4.74
1001 to 5000	244	4.03	548692	17.15
5001 to 10000	36	0.60	237881	7.43
10001 and above	63	1.04	1836662	57.39
Total	6049	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 31.03.2021 are as follows:

DEPOSITORY	As at 31 st March, 2021	
	No. of Shares	%
NSDL	16,30,074	50.94
CDSL	12,67,948	39.62
Total Demat	28,98,022	90.56

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 separately at the end of this 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

q) Credit Ratings

The Company has obtained rating from CRISIL for the year ended 31st March, 2021. They have given a credit rating as follows:

Rating on		Rating given
Bank Loan Facilities (₹ 63 crores)	- Long Term Rating	CRISIL A-/Stable (Reaffirmed)
	- Short-Term Rating	CRISIL A2+ (Reaffirmed)
Fixed Deposits (₹ 15 crores)		FA/Stable (Reaffirmed)

13. 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 Indian Accounting Standard Ind AS 24 issued by the Institute of Chartered Accountants of India is given under Note No. 35.16 of Notes to the Annual Accounts.
- b) Details of Non-compliance:** No penalty or strictures were imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years.
- c) Whistle Blower Policy:** In terms of Sub-sections (9) and (10) of Section 177 of the Companies Act, 2013 and in terms of Regulation 22 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Mechanism provides for adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases and no personnel of the Company has been denied access to the Audit Committee. The Board has approved the Whistle Blower Policy and Vigil Mechanism of the Company in its meeting held on 12th February, 2015. The same is posted in the Company's website "www.kselimited.com" under "Investor Relations". The disclosures made herein shall be treated as disclosures required to be made under Section 177 of the Companies Act, 2013.
- d) Compliance of mandatory and non-mandatory requirements:** The Company has implemented all applicable mandatory requirements specified under SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, except the constitution of Risk Management Committee, which was applicable to the Company with effect from 5th May 2021 and the Board will be constituting the Risk Management Committee shortly. 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 unmodified financial statements. 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 does not have any subsidiary.
- f) **Weblink for Policy on related party transactions:** The Company has established Related Party Transactions Policy and Procedures as approved by the Board in its meeting held on 12th August, 2014, which is placed in the website of the Company "www.kselimited.com" under investor relations.
- g) **Commodity price risks and Commodity hedging activity:** The main inputs for the manufacture of ready-mixed cattle feed are agricultural commodities. Agricultural markets, by its nature are volatile, and tend to move in line with various factors like farmers' choice of crop, yield, season and rainfall. 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.
- h) **Utilization of funds raised through preferential allotment as specified under Regulation 32 (7A):** The Company has not raised funds through preferential allotment or qualified institutional placement.
- i) **Certificate from Practicing Company Secretary:** Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Sathish V. (CP No. 8343), proprietor of Sathish V, Practicing Company Secretary, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority has been annexed to the end of this Report.
- j) **Recommendations of Committees of the Board:** There were no instances during the financial year 2020-2021, wherein the Board had not accepted recommendations made by any committee of the Board.
- k) **Total fees paid to Statutory Auditors of the Company:** Total amount paid to statutory auditors is ₹ 15.26 lakhs including GST and out-of-pocket expenses and the details of payments to auditors is given in the Notes to Financial Statements as Note 33 - Other expenses. The Company does not have any subsidiary or network firm/network entity.
- l) **Disclosure on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The Company has not received any complaints during the year 2020-2021. The details relating to the number of complaints received and disposed of during the financial year 2020-2021 are as under:
- | | |
|--|-----|
| a. Number of complaints filed during the financial year: | Nil |
| b. Number of complaints disposed of during the financial year: | Nil |
| c. Number of complaints pending as on end of the financial year: | Nil |

14. Compliance of corporate governance : All the requirements of corporate governance report have been complied by the Company, as far as applicable to the Company. The Risk Management Committee will be constituted by the Board shortly, in compliance to the amendment, effective from 5th May 2021, in Regulation 21 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except the constitution of the Risk Management Committee as mentioned above, 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.

By Order of the Board

Sd/-

Mr. Jose John
(DIN : 01797056)
Chairman

Irinjalakuda
June 30, 2021

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

CERTIFICATE

[Pursuant to clause 10 of Part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of KSE LIMITED [Company No. L15331KL1963PLC002028] 20/173, P.B.No. 20, Solvent Road, Irinjalakuda – 680 121, I hereby certify that:

On the basis of the written representations/declarations received from the Directors and taken on record by the Board of Directors, as on March 31, 2021, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

Place : Cochin
Date : 30.06.2021

Sd/-
SATHISH V
Practicing Company Secretary
FCS 8005; CP 8343
UDIN : F008005B000393049

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March, 2021.

Irinjalakuda
June 30, 2021

By Order of the Board

Sd/-

A. P. George
(DIN : 00106808)
Managing Director

PLANT LOCATIONS

PRODUCTION UNITS

KERALA

KSE Limited
Irinjalakuda Unit, P.B. No. 20,
Solvent Road, Irinjalakuda - 680 121
Tel: 0480 2825476, 2825576, 2826075, 2826676
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 P.O, Athirampuzha,
Kottayam Dist. - 686 632.
Tel: 0481 2536829, 2536830, 2538718, 2538719

KSE Limited
Palakkad Unit, Othungode, Kerala,
Palakkad - 678 004
Tel: 0491 2543332, 2543451, 2541858

KSE Limited
Dairy Unit, Konikkara, Marathakkara P.O.,
Thrissur - 680 306
Tel: 0487 2351501, 2358806, 2356394

KSE Limited
Ice Cream Unit, Vedagiri,
Kurumullur P.O, 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,
252565

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

PRODUCTION UNITS-OUTSOURCED

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

India currently represents one of the fastest growing animal feed markets in the world. The increasing demand for animal protein and dairy products has resulted in a growing livestock population in India, which in turn has increased the demand for animal feed. Currently the poultry, aqua and dairy industry accounts for the major share of the Indian animal feed industry. Modern animal feed products are manufactured by carefully selecting and blending ingredients to impart highly nutritional diets that both increase the quality of its end products such as meat, milk, eggs and at the same time maintain the health of the animal.

Changing lifestyles and rising per capita income in India have resulted in a shift in the dietary habits in the country leading to increased consumption of milk, egg and meat. The animal population in India is expected to increase continuously in the medium and long terms. India has recorded higher growth of exotic and cross-bred variety of cows, which continue to be preferred by many dairy farmers due to their much higher yield as compared to the indigenous breeds of cows. The Indian government along with private initiatives are increasing the awareness of better feed practices among farmers. Farmers are becoming more aware about animal health and the importance of a balanced and nutritional food for their animals. This all put together, results in growing demand for compounded animal feed.

2. Opportunities and Threats

The advantages to your Company in cattle feed and cake processing industry are (1) its vast experience in these industries of about 50 years (2) its leadership in the market (3) adherence to high quality standards and acceptability of the feed 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 in organised and unorganised sectors (2) probable entry of multinational entities (3) surge in the fuel prices leading to increase in the price of ingredients (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 (from which our ingredients are derived) 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 (9) import of cheaper oils for bulk consumption leading to fall in demand for refined coconut oil (10) failure of crop and shortage in production of grains and oil seeds due to failure of monsoon/seasonal rain (11) recent increase in sea freights many fold on account of several reasons acts as deterrent to import of copra expeller cake. 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) outbreak of pandemic diseases like Covid-19 requiring lock down of operations of factories and outlets (2) unhealthy competition from small players dealing with inferior quality products and (3) entry of big players including multinational corporations in the segment catered by your Company.

3. Segmentwise Productwise Performance

The segmentwise revenue and year to year change are given hereunder:

Segments	2020-21		2019-20		Year to year change Percentage
	₹ in lakhs	Percentage	₹ in lakhs	Percentage	
Animal Feed	131006.59	84.89	126428.27	88.50	3.62
Oil cake processing	20488.79	13.28	12993.90	9.10	57.68
Dairy	2831.09	1.83	3429.65	2.40	(17.45)
Total	154326.47	100.00	142851.82	100.00	8.03

The average realisation on cattle feed has reduced by 3.19% compared to year 2019-2020 as the cost of raw materials were steady and soft. This has contained the improvement in the revenue from Animal Feed division at 3.62%, though the volumewise feed sale has recorded an increase of 6.61 %. The main reason for the increase in the revenue in oil cake processing division is due to the betterment in the selling price of coconut oil. The fall in the revenue of dairy division is on account of reduction in the volume of sale of milk, ice cream and other dairy products as a result of after effect of Covid-19.

The year to year change in the volume of operation in different segments are discussed under

Segments	Units of measurement	2020-21	2019-20	Year to year change (Percentage)
		Quantity	Quantity	
Animal Feed	Tons	593926	557095	6.61
Deoiled cake	Tons	13209	10081	31.03
Refined coconut oil	Tons	10409	6902	50.81
Solvent Extracted Coconut Oil (unrefined)	Tons	1043	2663	(60.83)
Milk	Kilo Litres	4178	4992	(16.31)
Ice Cream	Kilo Litres	716	1227	(41.65)

In the above table, the volume of sale of animal feed has improved by 6.61 %, despite the issues connected with the Covid-19 and closure of our main animal feed production facility in Irinjalakuda for over a month during July and August, 2020. 123764 tons copra cake was processed in the Cake Processing Division against previous year quantity of 108730 tons. As a result of the increased volume of processing and the improvement in the average realisation of coconut oil coupled with good demand for oil had helped to considerably improve the volume and revenue in the cake processing division. The sale of Milk and Ice Cream has been affected in year 2020-2021 due to lock-down and other restrictions relating to Covid-19 pandemic.

The segmentwise earnings before interest and tax are furnished below:

Segments	2020-21	2019-20	Year to year change Percentage
	₹ in lakhs	₹ in lakhs	
Animal Feed	10521.99	2884.28	264.80
Oil cake processing	3537.15	(383.78)	1021.66
Dairy	(162.48)	(85.38)	(90.30)
Unallocated income net of expenditure including interest income	552.39	345.66	59.81
Total profit before exceptional items, interest and tax	14449.05	2760.78	423.37

During the year 2020-21, the annual average raw material cost of feed has reduced by 9.75% and in tune there to the average selling price of feed has also reduced by around 3.19 % compared to previous year. Since for the most part of the year the raw material price was steady, the feed division has performed very well, though there was some issues connected with the spread of Covid-19, which we could manage successfully.

In the cake processing division, we could clear the stock of oil built up during the previous year. The average selling price of coconut oil has improved considerably from the level of around ₹ 112/kg. to ₹ 185/kg. by the last quarter of financial year 2020-2021. The year to year average selling rate of refined coconut oil improved by 34.43%, compared to previous year. However, only a limited quantity of copra cake is available locally and it is not sufficient to meet even 15% of our requirement. We have to make up the shortfall through imports. During the year we could manage to import sufficient quantity of copra cake at reasonable rates and our annual processing quantity of copra cake also has improved by 15,034 tons, that is an increase of 13.83% over that of previous year. All these put together, the profit of cake processing division improved ten fold, compared to previous year.

In order to relaunch the Vesta ice cream after the first phase of Covid-19 and to establish a considerable market share for Vesta Ice Cream, we had committed for a heavy budget for ice cream branding during the second half of 2020-21. Due to the uncertainties on account of the pandemic, the sales volume of ice cream has dipped more than 40% and that of milk had fallen by 16%. Also there was only thin margin on milk sales and hence taking all the factors together the Dairy division reported loss.

4. Outlook

The price of ingredients to animal feed was softened during the year 2020-21 and was more or less steady through out the year. Despite the spread of pandemic, the demand for the feed is stable which helps us to keep the capacity utilisation and maintain the revenue. In the first quarter of financial year 2021-2022, the price of protein based ingredients is increasing and even in certain cases it had doubled. We also had made a few adjustments to the selling price of feed to cushion the increase in raw material cost.

However, we will not be able to increase the selling price of feed to fully absorb the increase in ingredient prices. We are making appropriate adjustments in the selling price according to the ingredient prices keeping in consideration all the related situations. The indirect control of the Government on the procurement price of milk put the farmers in to lot of hardship and while taking pricing decisions, we have to weigh this fact in the best interest of the Company.

At a time when the second wave of Covid is spreading across the country, the good news is that the weather forecasters have predicted that India is likely to have a normal monsoon again this year. The South-West monsoon is considered vital for the cultivation of Kharif crops, which are heavily dependent on rain as the quantity of rainfall determines the yield in the case of these crops. The monsoon delivers 70% of India's rainfall and most Agricultural activities depend upon it. Weather plays an important role in agricultural production. It has a profound influence on crop growth, development and yields; on the incidence of pests and diseases; on water needs; and on fertilizer requirements. As the monsoon rain is normal this year, it is reasonably expected that the prices of ingredients will further ease by the start of next season for the crops and there will not be any shortage of supply.

In the cake processing division, we have to process around 1,25,000 tons of copra cake, to meet our requirements for deoiled copra cake, which is one of the major ingredients in our feed. The availability of copra cake both in India and abroad is highly challenging. Since the local arrival is very limited, we are mainly depending on imports for ensuring the steady supply of copra cake. The local price of copra cake is very high as compared to previous year rates. On the import front, the spread of Covid had made the cost of chartering vessels dearer, in many cases it has more than doubled. The supply of copra cake being short in Philippines and Indonesia made the product in short supply and the cost of the same has increased more than 50% that of previous year. The volatility in exchange rate of dollar also makes the task tough. Despite all these issues, we have ensured steady supply of copra cake by booking shipments in advance. The movement of coconut oil is encouraging now though at a lower realisation. We expect a smooth running of this division with reasonable profits under the present circumstances.

The spread of the deadly virus has highly affected the operations of the Dairy division, though we are allowed to operate the Dairy plants. The proclamation of second phase of lock down in Kerala, continuous for about two months, which incidentally was the peak period for ice cream, has seriously affected our market for ice cream and milk. The shops selling the ice cream and tea shops purchasing milk were closed under lock-down and there is a drastic decline in the ice cream consumption due to the absence of festivals and celebrations. We are still not sure how long the impact of corona virus will continue and hence we see a weak market for ice cream in the short run. We have to undertake a relaunch exercise for ice cream on a big budget when the situation is favourable, to reestablish the brand for our ice cream. At the same time the margin on milk and the volume of milk handled is growing, which we hope will make good the loss on the ice cream front. As such we expect that dairy operations as a whole will have to undergo tough testing by the market during 2021-22. However, since the other two divisions remains strong, we are confident of withstanding the set back in the dairy arena, with the support of other two major divisions of the Company.

5. Risks and Concerns

As stated earlier, except the marketing of ice cream, all others operations of the Company remained more or less unaffected as a result of the Covid-19 Pandemic, though we had some minor issues including closing down of our main factory in Irinjalakuda for over one month. However, we have no idea how far the spread of Pandemic will affect us in future and we are closely watching the developments, for taking timely actions. Since normal monsoon is predicted, we do not feel that there will be shortage in supply of ingredients or an abnormal increase in their prices in the near future. As a result of maintaining high quality for the feed, the market acceptability for KS Brand cattle feed is very high in the States of Kerala and Tamil Nadu and we do not expect a significant fall in the sales volume of feed due to the spread of corona virus.

The import cost of copra cake has gone up by 50% and the exchange rate of dollar also is volatile. The shortage of supply and the increase in the cost of chartering vessels has in turn, increased the cost of copra cake considerably. Due to scarcity of local supply of copra cake the domestic price for copra cake is also on the higher side. We have to process around 1,25,000 tons of cake to meet the requirement of cattle feed division, wherein the deoiled cake is used as an ingredient. The price of coconut oil which has crossed ₹ 200/kg. in the previous month has since settled around ₹ 175/kg. and this will also strain the margins in cake processing division. We are hopeful of improving the situation by the second half of this year.

The performance of Dairy division under the Covid-19 situation is already explained and that we may have to relaunch the ice cream after curtailing the decrease. Until such time the ice cream operations will be at a low scale and we may incur losses in such a situation as the level of operation is below the minimum required volumes to meet the overhead costs. The milk operation is expected to neutralize the set back in the ice cream operations and we do not expect negative margins in the Dairy Division as a whole. No other risks or concerns are perceived by the management for the time being.

6. Internal Control Systems and their adequacy

The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness, and compliance is ingrained into the management review process. 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

During the year ended 31st March, 2021, the Revenue from Operations improved by 8.03 % to ₹ 1543 crores from ₹ 1429 crores, ₹ 114 crores in absolute terms. The over-all profit after tax improved to ₹ 112.25 cores in year 2020-21 compared to ₹ 18.05 crores in the previous year. The over all profit includes compensation received from National Highway Authority ₹ 6.68 crores on acquisition of properties of Swaminathapuram and Thalayuthu Units as part of development of national highway.

The sales volume of feed has improved by 6.61 % to 5.94 lakhs tons, compared to previous year volume of 5.57 lakhs tons, despite the fact that we had to face lots of issues connected with the lock downs and restrictions on account of Covid-19 through out the year since March, 2020. The ingredient prices was more or less steady through out the year and the animal feed division generated excellent profits. The feed division reported a profit of ₹ 105.22 crores compared to previous year profit of ₹ 28.84 crores.

We had processed 1.24 lakh tons of copra cake in year 2020-21 as against 1.09 lakh tons of copra cake in year 2019-20, by which the volume improved by 13.83 %. The cake processing division reported a profit of ₹ 35.37 crores as against previous year loss of ₹ 3.84 crores.

The volume of sales of ice cream for the year 2020-21 was 716 kl. as against 1227 kl. in 2019-20 with a dip in the volume by 41.65%. The negative publicity against ice cream in the covid scenario was a deterrent in pushing the volume of ice cream. The Dairy division reported a loss of ₹ 162.48 lakhs in year 2020-21 against the previous year loss of ₹ 85.38 lakhs. The market for ice cream has been almost lost in this covid season and we have to rebuild the brand afresh after the eradication/curtailing of covid.

8. Key Financial Ratios

The Key Financial Ratios are given below with comparative figures for the previous year:

Key Financial Ratios	Method of calculation	2020-21	2019-20
Debtors Turnover	Revenue/Debtors	4064.43 times	3496.13 times
Inventory Turnover	Revenue/Inventory	9.08 times	17.34 times
Interest Coverage Ratio	EBIT/Finance Cost	97.37 times	18.08 times
Current Ratio	Current assets/Current liabilities	3.77 times	4.21 times
Debt Equity Ratio	Total Liabilities/Shareholder's Equity	0.38 times	0.34 times
Operating Profit Margin	EBIT/Revenue	9.36 %	1.93 %
Net Profit Margin	PAT/Revenue	7.27 %	1.26 %
Return on Net Worth	PAT/Shareholder's Equity	46.18 %	12.71 %

The reasons for the improvement in profit for the year 2020-21 compared to previous year has been discussed in detail in the earlier paras of this report and that explains the improvement in the ratios that are related to profit.

The stock of raw materials as at the end of the year as on 31-03-2021 was three times that of previous year closing balance. We put all efforts to store more raw material in March, 2021 to avoid plant shut downs as timely supplies were affected by the lock downs and other related issues with Covid -19 and also in anticipation of increase in the raw material prices in future. For this we had hired many godowns to store the extra quantity of material. As a result there is a fall in the inventory turnover.

9. Industrial Relation

The Company has 895 employees on its rolls as on 31.03.2021. The Company is an exception to the adverse labour conditions existing in Kerala. There were no major labour issues, in any of the Units of the Company during the year 2020-21. During the year, long-term settlement with Unions of Irinjalakuda and Palakkad Units are completed. Further, the long-term settlement with Unions of Vedagiri Unit for revision of their remuneration effective from 01.04.2020 has recently concluded. The long term settlement with the Unions of Koratty Unit from 01.01.2020 is expected to be settled shortly. The long-term settlements with Unions of Swaminathapuram Unit effective from 01.05.2020 is due and will be taken up by Management shortly after subsidising the second wave of Covid -19 as it requires discussions across the table. Further in the year 2021-22, the long term settlements with unions of Konikkara Unit is due from 01.06.2021 and that of Thalayuthu Unit from 01.08.2021. The management continues to maintain cordial industrial relation with all the employees of the Company and is attending to their grievances with an open mind.

10. Caution

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

By Order of the Board

Sd/-

Mr. Jose John
(DIN : 01797056)
Chairman

Irinjalakuda
June 30, 2021

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of KSE Limited
Irinjalakuda, Kerala-680121.

1. This report contains details of compliance of conditions of Corporate Governance by KSE Limited (CIN:L15331KL1963PLC002028) ("the Company") for the year ended 31st March, 2021 as stipulated in regulations 17 to 27, clause (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 as amended from time to time (the 'Regulations') pursuant to the Listing Agreement of the company with the Stock Exchange.

Management's responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management including the preparation and maintenance of all relevant supporting records and documents.

Auditor's responsibility

3. Our examination was limited to the 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.
4. Pursuant to the requirements of the Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations for the year ended 31st March, 2021.
5. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI) and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. 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 Services Engagements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned Regulations.
8. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirements of the Regulations, and it should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **SRIDHAR & CO.**
Chartered Accountants,
Thiruvananthapuram
(Firm No. 003978S)

Sd/-

CA. I. Jayasindhu, F. C. A.
(M. No. 205660)
Partner

UDIN: 21205660AAAAAL5231

Irinjalakuda
June 30, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of KSE Limited
Irinjalakuda, Kerala – 680121

Report on the Audit of the Standalone Ind AS Financial Statements

OPINION

We have audited the accompanying Ind AS financial statements of KSE Limited (CIN:L15331KL1963PLC002028) ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements") which we have signed under reference to this report.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

EMPHASIS OF MATTER

We draw attention to the matters detailed below. Our opinion is not modified in respect of these matters.

- a. Note No 21.1 in the Ind AS financial statements : As stated in the note, the classification of trade payables as covered under the Micro, Small & Medium Enterprises, Development (MSMED) Act, 2006 and others, is as carried out by the company based on the information available with it.
- b. Note No 35.12 in the Ind AS financial statements : The company has stated in this note that it has a system of obtaining confirmations of balances. However, balances in the accounts, except balances with banks and a few trade receivables are subject to confirmation.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Information technology (IT) systems used in financial reporting process.

Key Audit Matter Description

The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Also, the company is using an ERP Solution developed in house and it has yet to be evolved into a full fledged end to end solution, necessitating manual interventions at various levels, while the system is handling large transaction volumes at multiple locations. We have identified 'IT systems and controls' as key audit matter because of the manual interventions and the untested environment of an evolving ERP.

How the Key Audit Matter Was Addressed in the Audit

We focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.

We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, design and operating effectiveness of key controls over user access management and preventive controls designed to enforce segregation of duties. For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process. Other areas that were assessed included security configurations, system interface controls, controls over changes to applications and databases and controls to ensure that developers and production support did not have access to changing applications, the operating system or databases in the production environment.

We have identified the manual intervention areas and evaluated the design, implementation and effectiveness of the controls over the manual interventions. We have tested samples in key areas of manual interventions to ensure the effectiveness of the control system in force.

INFORMATION OTHER THAN THE IND AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report including the annexures to Directors' Report, Secretarial audit Report, Management Discussion & Analysis Report and Corporate Governance Report included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE IND AS FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statement in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the year ended 31st March 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. Further, as required by section 143(3) of the Act, we further 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 purpose 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended by Companies (Indian Accounting Standards) Amendment Rules, 2018.
 - e) On the basis of written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 "Annexure2" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 Ind AS financial statements- Refer Note 35.3 to the Ind AS 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.

For **SRIDHAR & CO.**
Chartered Accountants,
Thiruvananthapuram
(Firm No. 003978S)

Sd/-
CA. I. Jayasindhu, F. C. A.
(M. No. 205660)
Partner
UDIN: 21205660AAAAAK1641

Irinjalakuda
June 30, 2021

Enclosures : Annexure 1 and Annexure 2 referred to above

ANNEXURE - "1" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)

- i. In respect of the Company's fixed assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The software in respect of register of fixed assets is under upgradation.
 - b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

- c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii. We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion the procedures of physical verification of inventory followed by management are reasonable and adequate in relation to size of the company and the nature of its business. The Company is maintaining proper records of inventory. According to the information furnished to us no significant discrepancies were noticed on such verification between the physical stock and the book records. The valuation of stock is fair and proper in accordance with the normally accepted accounting principles.
- iii. The company has not granted loan or advances in the nature of loans to any companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Except the loans to employees which are recovered through payroll on a regular basis and interest free advance to employees which are being repaid as stipulated, no other loans have been given by the company.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. In respect of deposits accepted by the Company from public, the directives issued by the Reserve Bank of India and the provisions of Section 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.
- vi. 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.
- vii. According to the information and explanations furnished to us and according to our examination of the records of the Company in respect of the Statutory dues:
- [a] The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Income Tax, customs duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us there are no undisputed amounts payable in respect of sales tax, customs duty, and cess in arrears as at 31.03.2021 for a period of more than six months from the date they become payable.
- [b] Details of dues of sale tax, income tax, customs duty, goods and service tax, wealth tax, excise duty and cess, which have not been deposited on account of any dispute are as shown below :

Name of the statute	Nature of the dues	Period to which the amount relates to	Amount (₹ in lakhs)	Forum where dispute is pending
Kerala General Sales Tax Act, 1963	Sales tax	Financial year 2000-01	25.40	Deputy Commissioner (Appeals) – remanded to Assistant Commissioner (Assessment)
Customs Act, 1962	Customs duty	Financial year 2008-09 and 2009-10	66.31*	The Company has filed appeals before the Honourable High Court of Kerala.
Goods and Service Tax Act, 2017	Goods and Service Tax	Financial year 2020-21	3.55	The case is pending at the Kerala State GST Department, Mattanchery
*interest amount as computed and provided for by the company				

- viii. 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 nor borrowings from government nor has any dues to debenture holders.
- ix. According to the information and explanations given to us and our verification of records, the company has not raised any money by way of initial public offer or further public offer (including debt instruments). The Company has not availed any term loans during the year.
- x. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

- xi. In our opinion and according to information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph (xii) of the Order is not applicable.
- xiii. 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 as required by the applicable Ind AS have been disclosed by the management in Note No. 35.16 of the Notes forming part the Ind AS financial statements.
- xiv. 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.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph (xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Irinjalakuda
June 30, 2021

For **SRIDHAR & CO.**
Chartered Accountants,
Thiruvananthapuram
(Firm No. 003978S)

Sd/-
CA. I. Jayasindhu, F. C. A.
(M. No. 205660)
Partner
UDIN: 21205660AAAAAK1641

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls over Financial Reporting 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 M/s KSE Limited (CIN:L15331KL1963PLC002028) ("the Company") as of 31st March, 2021 in conjunction with our audit of the Ind AS 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 (the "Guidance Note"). 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 the 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 have conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified 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 Ind AS 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS financial statements

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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS 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 31st March 2021, 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.

Irinjalakuda
June 30, 2021

For **SRIDHAR & CO.**
Chartered Accountants,
Thiruvananthapuram
(Firm No. 003978S)

Sd/-
CA. I. Jayasindhu, F. C. A.
(M. No. 205660)
Partner
UDIN: 21205660AAAAAK1641

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
A. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2A	2,390.41	2,451.15
(b) Capital Work in Progress	2B	201.52	85.44
(c) Other Intangible Assets	2C	16.38	6.16
(d) Financial Assets			
(i) Investments	3	2.50	2.50
(ii) Loans	4	185.04	138.89
(iii) Other Financial Assets	5	4.31	6.30
(e) Other Non Current Assets	6	71.23	5.08
Total non-current assets		2,871.39	2,695.52
Current Assets			
(a) Inventories	7	16,995.10	8,236.30
(b) Financial Assets			
(i) Investments	8	11,593.60	6,559.64
(ii) Trade Receivables	9	37.97	40.86
(iii) Cash and Cash Equivalents	10	630.40	66.79
(iv) Bank Balances other than (iii) above	11	153.25	154.21
(v) Loans	12	205.64	164.78
(vi) Other Financial assets	13	4.48	7.39
(c) Current tax assets (net)	14	—	342.86
(d) Other Current Assets	15	1,003.05	718.47
Total current assets		30,623.49	16,291.30
Total Assets		33,494.88	18,986.82

Particulars	Note No.	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	320.00	320.00
(b) Other Equity	17	23,988.62	13,883.41
Total equity		24,308.62	14,203.41
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	993.01	891.51
(b) Deferred Tax Liabilities (Net)	19	64.97	21.84
Total non-current liabilities		1,057.98	913.35
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	2,613.02	343.28
(ii) Trade Payables - Micro Enterprises and Small Enterprises	21	23.08	8.57
- Others	21	1,901.48	699.05
(iii) Other financial Liabilities	22	2,239.80	1,586.89
(b) Other Current Liabilities	23	850.36	1,232.27
(c) Provisions	24	10.39	—
(d) Current Tax Liabilities (Net)	25	490.15	—
Total current liabilities		8,128.28	3,870.06
Total Liabilities		9,186.26	4,783.41
Total Equity and Liabilities		33,494.88	18,986.82

Significant Accounting Policies 1

Additional Information 35

The accompanying notes are integral part of the financial statements

For and on Behalf of Board of Directors of KSE Limited (CIN No.L15331KL1963PLC002028)			As per our report of even date attached
Jose John Chairman (DIN : 01797056)	Sd/-	A.P. George (DIN : 00106808) Managing Director	Sd/-
R. Sankaranarayanan Chief Financial Officer and Company Secretary	Sd/-	M.P. Jackson (DIN : 01889504) Executive Director	Sd/-
Irinjalakuda June 30, 2021		P.D. Anto (DIN : 00106965) Director	Sd/-
		Paul Francis (DIN : 00382797) Director	Sd/-
			Sd/- CA. I. Jayasindhu, F. C. A. (M. No. 205660) Partner UDIN: 21205660AAAAAK1641

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

Particulars	Note No.	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
INCOME			
Revenue from operations (See Note No. 35.18)		1,54,326.47	1,42,851.82
Other income	26	830.83	421.78
Total Income (A)		1,55,157.30	1,43,273.60
EXPENSES			
Cost of Materials consumed	27	1,17,532.15	1,24,978.49
Purchases of stock-in-trade	28	6,635.75	—
Changes in inventories of finished goods	29	1,097.40	810.03
Employee benefits expense	30	5,298.51	5,328.13
Finance costs	31	148.39	152.71
Depreciation and amortisation expense	32	242.16	280.70
Other expenses	33	9,902.28	9,115.47
Total expenses (B)		1,40,856.64	1,40,665.53
Profit before exceptional items and tax (A) - (B) = (C)		14,300.66	2,608.07
Exceptional items (See Note No. 35.4) (D)		(668.14)	—
Profit before tax (C) - (D) = (E)		14,968.80	2,608.07
Tax Expense			
Current tax		3,650.00	700.00
Relating to earlier years (net)		(40.17)	(19.03)
Deferred tax		65.94	37.20
Total Tax Expenses (F)		3,675.77	718.17
Profit for the year (E) - (F) = (G)		11,293.03	1,889.90
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss Remeasurement of defined benefit obligation		(90.63)	(113.55)
(ii) Income tax relating to items that will not be reclassified to profit or loss		22.81	28.58
Total other comprehensive income (net of tax) (H)		(67.82)	(84.97)
Total comprehensive income for the year comprising profit and other comprehensive income for the year (G) + (H)		11,225.21	1,804.93
Basic and diluted earnings per equity share (₹)	34	352.91	59.06
Nominal value per equity share (₹)		10.00	10.00
Significant Accounting Policies	1		
Additional Information	35		

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

For and on Behalf of Board of Directors of KSE Limited
(CIN No.L15331KL1963PLC002028)

Jose John
Chairman (DIN : 01797056) Sd/-

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

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

M.P. Jackson (DIN : 01889504)
Executive Director Sd/-

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

Inrijalakuda
June 30, 2021

Paul Francis (DIN : 00382797)
Director Sd/-

As per our report of
even date attached

For SRIDHAR & CO.
Chartered Accountants,
Thiruvananthapuram
(Firm No. 003978S)

Sd/-
CA. I. Jayasindhu, F. C. A.
(M. No. 205660)
Partner
UDIN: 21205660AAAAAK1641

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL

	No. of Equity shares	Amount ₹ in lakhs
Equity shares of ₹ 10 each subscribed and fully paid up		
Balance as at 1 st April, 2020	32,00,000	320.00
Changes in equity share capital during 2020-2021	—	—
Balance as at 31 st March, 2021	32,00,000	320.00
Equity shares of ₹ 10 each subscribed and fully paid up		
Balance as at 1 st April, 2019	32,00,000	320.00
Changes in equity share capital during 2019-2020	—	—
Balance as at 31 st March, 2020	32,00,000	320.00

B. OTHER EQUITY

₹ in lakhs

Particulars	RESERVES AND SURPLUS						Items of other comprehensive income Remeasurement of defined benefit obligation (net of tax)	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Gratuity Reserve	General reserve	Retained Earnings		
As at 1 st April, 2019	78.18	3.00	162.24	154.97	8,500.00	4,023.05	(264.29)	12,657.15
Profit for the year	—	—	—	—	—	1,889.90	—	1,889.90
Other comprehensive income net of taxes	—	—	—	—	—	—	(84.97)	(84.97)
Total comprehensive income	—	—	—	—	—	1,889.90	(84.97)	1,804.93
Dividends (including taxes)	—	—	—	—	—	(578.67)	—	(578.67)
Transfer to/(from) retained earnings	—	—	—	—	1,000.00	(1,000.00)	—	—
As at 31 st March, 2020	78.18	3.00	162.24	154.97	9,500.00	4,334.28	(349.26)	13,883.41

₹ in lakhs

Particulars	RESERVES AND SURPLUS						Items of other comprehensive income Remeasurement of defined benefit obligation (net of tax)	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Gratuity Reserve	General reserve	Retained Earnings		
As at 1 st April, 2020	78.18	3.00	162.24	154.97	9,500.00	4,334.28	(349.26)	13,883.41
Profit for the year	—	—	—	—	—	11,293.03	—	11,293.03
Other comprehensive income net of taxes	—	—	—	—	—	—	(67.82)	(67.82)
Total comprehensive income	—	—	—	—	—	11,293.03	(67.82)	11,225.21
Dividends - Final 2019-20	—	—	—	—	—	(640.00)	—	(640.00)
Dividends - Interim 2020-21	—	—	—	—	—	(480.00)	—	(480.00)
Transfer to/(from) retained earnings	—	—	—	—	5,500.00	(5,500.00)	—	—
As at 31 st March, 2021	78.18	3.00	162.24	154.97	15,000.00	9,007.31	(417.08)	23,988.62

The Board of directors has recommended a final dividend of ₹ 85 per equity share of ₹ 10 each, subject to approval of shareholders at the ensuing annual general meeting, and including the interim dividend of ₹ 15 per share already distributed for the year 2020-21 the total dividend will be ₹ 100 per equity share.

Significant Accounting Policies - See Note No. 1

The accompanying notes are integral part of the financial statements.

For and on Behalf of Board of Directors of KSE Limited
(CIN No.L15331KL1963PLC002028)

Jose John
Chairman (DIN : 01797056)

Sd/-

A.P. George (DIN : 00106808)
Managing Director

Sd/-

R. Sankaranarayanan
Chief Financial Officer
and Company Secretary

Sd/-

M.P. Jackson (DIN : 01889504)
Executive Director

Sd/-

P.D. Anto (DIN : 00106965)
Director

Sd/-

Irinjalakuda
June 30, 2021

Paul Francis (DIN : 00382797)
Director

Sd/-

As per our report of
even date attached
For **SRIDHAR & CO.**
Chartered Accountants,
Thiruvananthapuram
(Firm No. 003978S)

Sd/-
CA. I. Jayasindhu, F. C. A.
(M. No. 205660)
Partner
UDIN: 21205660AAAAAK1641

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	11,293.03	1,889.90
Adjustments for:		
Depreciation and amortisation expense	242.16	280.70
Finance costs	148.39	152.71
Tax Expense	3,675.77	718.17
Net gain arising on investments - measured at fair value through profit or loss	(233.30)	(50.35)
Interest income from banks	(4.02)	(30.41)
Provision for employee benefits - Compensated Leave absences	17.38	29.25
Advances received from customers no more payable written back	—	(3.66)
Creditors no more payable written back	(0.09)	(14.24)
Provision for doubtful advance written back	—	(2.45)
Advances written back in earlier years paid during current year	0.85	0.30
Irrecoverable debts written off	—	5.33
Gain on sale of current investments classified at fair value	(301.19)	(66.41)
Net gain on acquisition of Property by Government	(668.14)	—
Net gain on sale of property, plant and equipment	(0.37)	(1.23)
Operating profit before working capital changes	14,170.47	2,907.61
Adjustments for:		
Inventories	(8,758.80)	526.31
Trade receivables, loans & advances and other current assets	(456.77)	(326.76)
Trade payables, other current liabilities and provisions	1,246.17	817.08
Cash generated from operations	6,201.07	3,924.24
Income-tax paid	(2,776.82)	(458.67)
Net cash from / (used in) operating activities (a)	3,424.25	3,465.57

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(316.21)	(181.93)
Sale / Compensation on acquisition of property, plant and equipment	680.45	6.00
Advance for purchase of property, plant and equipment	(69.60)	—
Purchase of investments	(11,512.91)	(11,017.84)
Redemption of investments	7,013.44	8,835.63
Bank deposits not treated as cash and cash equivalents	6.86	1,240.73
Bank deposits with long term maturity	0.22	—
Interest income from banks	5.29	85.06
Net cash from / (used) in investing activities (b)	(4,192.46)	(1,032.35)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds /(repayment) of short-term bank borrowings	2,267.45	(2,953.83)
Acceptance of public deposits	552.39	457.12
Repayment of public deposits	(263.90)	(299.82)
Bank balances pertaining to unencashed dividend warrants	(5.90)	20.88
Finance costs	(104.12)	(135.28)
Dividends paid (including dividend distribution tax)	(1,114.10)	(599.54)
Net cash from / (used in) financing activities (c)	1,331.82	(3,510.47)
D NET INCREASE / (DECREASE) IN CASH AND CASHEQUIVALENTS (a)+(b)+(c)		
Cash and cash equivalents at the beginning of the year	66.79	1,144.04
Cash and cash equivalents at the end of the year (See Note 10)	630.40	66.79
E NET INCREASE / (DECREASE) AS DISCLOSED ABOVE		
	563.61	(1,077.25)
Significant accounting policies - See Note 1		
Note: The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow as notified under The Companies (Indian Accounting Standards) Rules, 2015) - See Note 1.16		

The accompanying notes are integral part of the financial statements.

For and on Behalf of Board of Directors of KSE Limited (CIN No.L15331KL1963PLC002028)		As per our report of even date attached
Jose John Chairman (DIN : 01797056)	Sd/-	For SRIDHAR & CO. Chartered Accountants, Thiruvananthapuram (Firm No. 003978S)
R. Sankaranarayanan Chief Financial Officer and Company Secretary	Sd/-	Sd/- CA. I. Jayasindhu, F. C. A. (M. No. 205660) Partner
Irinjalakuda June 30, 2021		UDIN: 21205660AAAAAK1641

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

GENERAL INFORMATION ABOUT THE COMPANY

KSE Limited (“the Company”) is a public limited company incorporated in India under the Companies Act, 1956. The Company’s registered office is situated at 27/277, Solvent Road, Irinjalakuda - 680 121, Kerala. The main activities of the Company are Manufacture of ready mixed cattle feed, extraction of oil from oil cakes using solvent extraction method and processing of milk and milk products.

The financial statements are approved for issue by the Company’s Board of Directors on June 30, 2021.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Current / non-current classification

An asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realized/settled in the Company’s normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, where the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

1.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in note 1.4. Accounting estimates may change from period to period. Actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Critical accounting estimates and judgements

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of the asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b. Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of obligations.

c. Provision for Bad Debts

Provision for bad debts are based on management's estimate of risks involved in recovery of stagnant balances which are reviewed periodically. Similarly, write back of customers dues are based on management's estimate after review of stagnant balances periodically.

d. Inventory obsolescence

Inventory is valued by the management after making necessary provisions for obsolescence based on management's estimate after review of slow and non-moving items periodically.

e. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions. Where, in spite of best efforts, a reliable basis for fair value cannot be obtained, the carrying amount is substituted as fair value.

f. Taxes

Income tax, GST and other applicable taxes are computed and paid as per the law for the time being in force. Impact of decisions of Supreme Court and jurisdictional appellate bodies to the extent possible are considered therein. Advance rulings sought by third parties are by and large not binding on the company as facts may differ.

1.5 Revenue from Contracts with Customers

Revenue from contracts with customers is recognised on transfer of control of goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration, if any) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is delivered to the customer.

1.6 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. 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.

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, if any, are depreciated based on useful life of each replaced part.

The company depreciates property, plant and equipment over their estimated useful lives using written down value method. The estimated useful lives of assets are as follows:

Buildings (other than factory buildings) - RCC Frame Structures	60 years
Buildings (other than RCC Frame Structure) and Factory Buildings	30 years
Continuous process plant	25 years
Other Plant and Machinery	15 years
Office equipment	5 years
Furniture and Fittings	10 years
Computers and data processing units	3-6 years
Vehicles (motor cars)	8 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures 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.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.7 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

1.8 Financial instruments

1.8.1 Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular purchase and sale of financial assets are accounted for at trade date.

1.8.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Since most of the financial assets are current, the effect of discounting the future cash receipts to the initial recognition value is not expected to be material and hence not done. Interest income is earned on financial assets maturing within 12 months and hence interest income is recognised over the relevant period of the financial asset under other income in the Statement of Profit and Loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts are more or less equal to the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. However, there were no derivative financial instruments in the years 2019-20 and 2020-21.

(i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedges

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to the Statement of Profit and Loss.

c. Share capital - Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1.8.3 *Derecognition of financial instruments*

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.9 **Fair value of financial instruments**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts are more or less equal to the fair value due to the short maturity of these instruments.

1.10 **Impairment**

a. *Financial assets*

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b. *Non-financial assets*

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generation units to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. In such cases, the carrying amount of the asset is increased to its revised recoverable amount. However, such revised amount will not be exceeded beyond the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.11 **Provisions, Contingent Liability and Contingent Assets**

Disputed liabilities and claims against the company including claims raised by fiscal authorities pending in appeal for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which have remote chance for crystallisation are not provided for in accounts but disclosed by way of notes to the accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability.

Contingent assets, if any, are not recognised in the accounts but are disclosed by way of notes to the accounts.

1.12 Foreign currency

Functional currency and presentation currency

The functional currency of the company is the Indian rupee. The financial statements are presented in Indian rupees (rounded off to lakhs).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing on the date of the transaction.

1.13 Earnings per equity share

Basic earnings per equity share is computed by dividing the profit for the year attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.14 Income tax and Deferred Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognized in other comprehensive income. Income tax for current and prior periods is recognised at the amount using the tax rates as per the tax laws that have been enacted. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

1.15 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 recognizes 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 Policies 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.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

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

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.

1.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows of the Company are segregated into operating, investing and financing activities.

1.17 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

1.18 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in the Statement of Profit and Loss over the lease term.

1.19 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

1.20 Inventories

Inventories as at the close of the year are valued at lower of cost or net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and 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

Cost of finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, ineligible tax credits as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

1.21 Operating Segments

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. The Operating segments have been identified on the basis of the nature of products/services.

Segment revenue includes sales and other income directly identifiable with the segment including inter-segment revenue. Expenses that are directly identifiable with the segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure. Income which relates to the Company as a whole and not allocable to segments is included in unallocable income. Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

1.22 Government Subsidy/ Grant

Government Grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

- a) Subsidy related to assets is recognized as deferred income which is recognized in the statement of profit & loss on systematic basis over the useful life of the assets.

Purchase of assets and receipts of related grants are separately disclosed in statement of cash flow.

- b) Grants related to income are treated as other income in statement of profit and loss subject to due disclosure about the nature of grant.

2A. PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

	Gross Carrying Value				Depreciation				Net Carrying Value	
	Cost as at 01.04.2020	Additions	Sales/ Adjustments	Cost as at 31.03.2021	For the year	Sales/ Adjustments	Up to 31.03.2021	Up to 31.03.2021	As at 31.03.2021	
Freehold Land	882.93	—	6.64	876.29	—	—	—	—	876.29	
Leasehold Land	91.48	—	—	91.48	1.20	—	6.01	6.01	85.47	
Buildings	1,007.47	27.50	5.41	1,029.56	75.34	2.80	502.78	502.78	526.78	
Plant and Equipment	1,449.81	74.54	3.62	1,520.73	122.07	1.93	760.24	760.24	760.49	
Furniture and Fixtures	15.57	0.62	—	16.19	2.31	—	9.19	9.19	7.00	
Vehicles	143.22	74.21	5.50	211.93	18.90	4.50	105.70	105.70	106.23	
Office Equipment	89.87	11.46	—	101.33	17.31	—	73.18	73.18	28.15	
Total Tangible Assets	3,680.35	188.33	21.17	3,847.51	237.13	9.23	1,457.10	1,457.10	2,390.41	
	Cost as at 01.04.2019	Additions	Sales/ Adjustments	Cost as at 31.03.2020	For the year	Sales/ Adjustments	Up to 31.03.2020	Up to 31.03.2020	As at 31.03.2020	
Freehold Land	882.93	—	—	882.93	—	—	—	—	882.93	
Leasehold Land	91.48	—	—	91.48	1.20	—	4.81	4.81	86.67	
Buildings	965.81	43.86	2.20	1,007.47	88.58	0.41	430.24	430.24	577.23	
Plant and Equipment	1,361.08	89.10	0.37	1,449.81	138.05	0.23	640.10	640.10	809.71	
Furniture and Fixtures	6.62	8.95	—	15.57	2.65	—	6.88	6.88	8.69	
Vehicles	154.57	—	11.35	143.22	24.40	8.52	91.30	91.30	51.92	
Office Equipment	67.77	22.10	—	89.87	23.84	—	55.87	55.87	34.00	
Total Tangible Assets	3,530.26	164.01	13.92	3,680.35	278.72	9.16	1,229.20	1,229.20	2,451.15	

2B. CAPITAL WORK IN PROGRESS

Particulars	As at 31.03.2021		As at 31.03.2020	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Buildings	60.23	—	—	—
Plant and Equipment	114.40	—	—	—
Vehicles	26.89	—	—	—
Total	201.52	—	—	—

2C. OTHER INTANGIBLE ASSETS

	Gross Carrying Value				Depreciation				Net Carrying Value	
	Cost as at 01.04.2020	Additions	Sales/ Adjustments	Cost as at 31.03.2021	For the year	Sales/ Adjustments	Up to 31.03.2021	Up to 31.03.2021	As at 31.03.2021	
Softwares	11.58	15.25	—	26.83	5.03	—	10.45	10.45	16.38	
Total	11.58	15.25	—	26.83	5.03	—	10.45	10.45	16.38	
	Cost as at 01.04.2019	Additions	Sales/ Adjustments	Cost as at 31.03.2020	For the year	Sales/ Adjustments	Up to 31.03.2020	Up to 31.03.2020	As at 31.03.2020	
Softwares	6.97	4.61	—	11.58	1.98	—	5.42	5.42	6.16	
Total	6.97	4.61	—	11.58	1.98	—	5.42	5.42	6.16	

3. INVESTMENTS - NON CURRENT

Particulars	Face value each ₹	No. of Shares	As at 31.03.2021	As at 31.03.2020
			₹ in lakhs	₹ in lakhs
a) Investments at amortised cost	—	—	—	—
b) Investments at fair value through other comprehensive income				
Investment in Equity Instruments - (Non-trade)				
at cost (fully paid up - Unquoted)				
i) Jeevan Telecasting Corporation Ltd.	1,000	200	2.00	2.00
ii) Kerala Enviro Infrastructure Ltd.	10	5,000	0.50	0.50
iii) Cochin Waste 2 Energy Private Ltd.	10	50,000	5.00	5.00
Less : Provision for diminution in value			(5.00)	(5.00)
iv) Coconut Oil & Copra Producers' Co-Op. Society Ltd.	100	1	0.00	0.00
c) Investments at fair value through profit or loss			—	—
Total			2.50	2.50

Note 3.1 These are unquoted shares. The fair value is assumed to be the carrying amount in the absence of information thereto.

4. LOANS - NON CURRENT

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Unsecured, considered good		
a) Security Deposits	166.93	127.60
b) Other Loans - Loans to Employees	18.11	11.29
Total	185.04	138.89

5. OTHER FINANCIAL ASSETS - NON CURRENT

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Bank deposits with maturity of more than 12 months	1.68	1.90
Interest accrued on Loans to employees	2.63	4.40
Total	4.31	6.30

Note 5.1 Bank deposits represent restricted bank balances held as margin money deposits against guarantees.

6. OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Unsecured, considered good		
Capital Advances	71.23	5.08
Total	71.23	5.08

7. INVENTORIES

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Raw materials	14,620.37	4,889.28
Finished goods	1,446.06	2,543.46
Packing Materials	412.88	337.00
Stores and spares	515.79	466.56
Total	16,995.10	8,236.30

Note 7.1 See Note 1.20 for method of valuation of inventories.

Note 7.2 Raw material include goods in transit amounting to ₹ Nil (previous year ₹ 546.10 lakhs).

Note 7.3 See Note 35.25 reporting an abnormal loss occurred after the balance sheet date.

8. INVESTMENTS - CURRENT

Particulars	Face value each ₹	As at 31.03.2021		As at 31.03.2020	
		No. of Units	₹ in lakhs	No. of Units	₹ in lakhs
a) Investments at amortised cost	—	—	—	—	—
b) Investments at fair value through other comprehensive income	—	—	—	—	—
c) Investments at fair value through profit or loss					
In Units of Mutual Funds - (Non-trade)					
At Fair Value (Fully paid - Unquoted)					
i. ICICI Prudential Savings fund - Direct Plan - Growth	100	1281039.784	5,376.38	905598.412	3,535.19
ii. UTI Liquid Cash Plan - Direct Growth Plan	1000	45,588.727	1,536.56	—	—
iii. SBI Mutual Fund - SBI Savings Fund - Direct Growth	10	7483252.216	2,558.96	—	—
iv. LIC MF Liquid Fund - Direct Plan - Growth	1000	56,777.410	2,121.70	83923.082	3,024.45
Total			11,593.60		6,559.64
Aggregate amount of unquoted investments at cost			11,355.43		6,509.29

9. TRADE RECEIVABLES

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
(i) Considered good		
Secured	8.37	9.37
Unsecured	29.60	31.49
Sub-total	37.97	40.86
(ii) Considered credit impaired - Unsecured	1.59	1.59
Less: Provision for credit impaired	(1.59)	(1.59)
Sub-total	—	—
Total	37.97	40.86

10. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Balances with Banks	603.67	50.02
Cheques/drafts on hand	18.56	9.41
Cash on hand	8.16	7.34
Stamps on hand	0.01	0.02
Total	630.40	66.79

11. OTHER BANK BALANCES

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Balances with Banks		
in current accounts	95.47	89.57
in deposit accounts	57.78	64.64
Total	153.25	154.21

Note 11.1 Balances with banks include restricted bank balances of ₹ 153.25 lakhs (Previous year ₹ 154.21 lakhs). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees ₹ 5.78 lakhs (Previous year ₹ 4.64 lakhs) and earmarked bank balances for (1) unpaid dividends ₹ 95.47 lakhs (Previous year ₹ 89.57 lakhs) and (2) deposit repayment reserve account ₹ 52.00 lakhs (Previous year ₹ 60.00 lakhs).

12. LOANS - CURRENT

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Unsecured, considered good		
Other Loans - Advances to Employees	199.40	157.92
Loans to Employees	6.24	6.86
Total	205.64	164.78

13. OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Unsecured, considered good		
Interest accrued on bank deposits	3.18	4.45
Interest accrued on Loans to employees	1.30	2.94
Total	4.48	7.39

14. TAX ASSETS - CURRENT

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Income Tax Advance (net)	—	342.86
Total	—	342.86

15. OTHER CURRENT ASSETS

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Advances recoverable in cash or in kind or for value to be received		
(a) Unsecured - Considered Good		
- Prepaid Expenses	266.42	212.38
- Balance with government authorities	343.08	272.67
- Other Advances	393.55	233.42
(b) Unsecured - Considered Doubtful	32.22	32.22
Less : Provision for doubtful advances	(32.22)	(32.22)
Total	1,003.05	718.47

16. SHARE CAPITAL

Particulars	Par value each ₹	Number of shares	As at 31.03.2021	As at 31.03.2020
			₹ in lakhs	₹ in lakhs
Authorised:				
Equity shares	10	99,40,000	994.00	994.00
13.50 % Redeemable cumulative preference shares	100	6,000	6.00	6.00
		99,46,000	1,000.00	1,000.00
Issued:				
Equity shares	10	32,02,820	320.28	320.28
Subscribed and Paid up:				
Equity shares	10	32,00,000	320.00	320.00
Note 16.1	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	320.00
	Changes in equity share capital during the year	—	—	—
	Outstanding at the end of the year	32,00,000	320.00	320.00

Note 16.2 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 ₹ 85 per equity share of ₹ 10 each, subject to approval of shareholders at the ensuing annual general meeting, and including the interim dividend of ₹ 15 per share already distributed for the year 2020-21 the total dividend will be ₹ 100 per equity share.

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

	As at 31.03.2021		As at 31.03.2020	
	Number of shares	% of holding	Number of shares	% of holding
PJD Properties and Investments P. Ltd.	6,16,589	19.27%	6,01,464	18.80%

Note 16.4 There was no fresh issue or buying back of shares in the preceding five years.

Note 16.5 There was neither bonus issue nor any other issue of shares in the preceding five years.

17. OTHER EQUITY

Particulars	As at 31.03.2021		As at 31.03.2020	
	₹ in lakhs		₹ in lakhs	
Capital Reserve		78.18		78.18
Capital Redemption Reserve		3.00		3.00
Securities Premium Reserve		162.24		162.24
Gratuity Reserve		154.97		154.97
General Reserve				
Balance at the beginning of the year	9,500.00		8,500.00	
Add : Transfer from Retained Earnings	5,500.00		1,000.00	
		15,000.00		9,500.00
Retained Earnings				
Balance at the beginning of the year	3,985.02		3,758.76	
Add : Profit for the year	11,293.03		1,889.90	
Less : Remeasurement of defined benefit obligation, net of tax	(67.82)		(84.97)	
Less : Transfer to General Reserve	(5,500.00)		(1,000.00)	
Less : Dividend - Final	(640.00)		(480.00)	
Interim 2020-21	(480.00)		—	
Less : Dividend distribution tax	—	8,590.23	(98.67)	3,985.02
Total		23,988.62		13,883.41

Note 17.1 In addition to the interim dividend of ₹ 15 per share, already distributed, Board of Directors of the company has proposed a final dividend of ₹ 85 per equity share, which is subject to approval by the shareholders at the ensuing Annual General Meeting. The total proposed final dividend for the year ended 31st March, 2021 amounts to ₹ 2720 lakhs and the total dividend payout for the year 2020-2021 will be ₹ 100 per share, totally amounting to ₹ 3,200 lakhs.

18. BORROWINGS - NON CURRENT

Particulars	As at 31.03.2021	As at 31.03.2020
	₹ in lakhs	₹ in lakhs
Public Deposits - Unsecured	993.01	891.51
Total	993.01	891.51

Note 18.1 See Note 22 for current maturities of long-term debt.

Note 18.2 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 31.03.2021	Balance as on 31.03.2020
		₹ in lakhs	₹ in lakhs
(a) One year	8.00 % p.a.	2.86	0.57
(b) Two years	9.00 % p.a.	9.72	9.77
(c) Three years	10.00 % p.a.	1,423.67	1,137.42
Total		1,436.25	1,147.76

Note 18.3 The year-end balances of Public deposits accepted are included under the following Notes:

	Note No.	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
(a) Borrowings Non-current	18	993.01	891.51
(b) Borrowings Current	20	2.86	0.57
(c) Other Financial Liabilities -Current	22	440.38	255.68
Total		1,436.25	1,147.76

Note 18.4 Public Deposits include deposits accepted from Directors ₹ 73.87 lakhs (Previous year ₹ 15.75 lakhs) on the same terms and conditions as applicable to other depositors.

19. DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Deferred tax (assets) / liabilities in relation to :		
Property, plant and equipment and intangible assets	(13.73)	(10.42)
Provision for employee benefits	43.86	44.79
Investments	60.04	12.67
Others	(25.20)	(25.20)
Deferred tax (assets) /liabilities (net)	64.97	21.84

Also see Note 35.2 (ii)

20. BORROWINGS - CURRENT

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Loans repayable on demand from Banks - Secured		
- Cash credit	2,609.60	342.71
Corporate Credit Card - Unsecured	0.56	—
Public Deposits - Unsecured	2.86	0.57
Total	2,613.02	343.28

Note 20.1 The cash credit facility is 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 20.2 See Note 18.2 for rate of interest and terms of repayment of public deposits.

21. TRADE PAYABLES

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Total outstanding dues of micro enterprises and small enterprises	23.08	8.57
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,901.48	699.05
Total	1,924.56	707.62

Note 21.1 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 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
(i) Principal amount due and remaining unpaid to any supplier as at the end of each accounting year	23.08	8.57
(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 Micro, Small and Medium Enterprises Development Act, 2006	—	—
(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	—	—

22. OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Current Maturities of long-term debt		
- Public Deposits - Unsecured	440.38	255.68
Interest accrued but not due on public deposits	152.08	107.81
Unpaid dividend	95.47	89.57
Unpaid matured deposits and interest accrued thereon	1.11	0.86
Employee benefits expense payable	912.37	869.15
Creditors for expenses	638.39	263.82
Total	2,239.80	1,586.89

Note 22.1 Public Deposits include deposits accepted from Directors ₹ 1.75 lakh (Previous year ₹ 0.66 lakh) on the same terms and conditions as applicable to other depositors.

Note 22.2 Interest accrued but not due on public deposits includes ₹ 1.90 lakh (Previous year ₹ 0.40 lakh) due to Directors.

Note 22.3 See Note 18.2 for rate of interest and terms of repayment of public deposits.

Note 22.4 Unpaid matured deposits and interest accrued thereon represents interest paid to depositors remaining unencashed.

23. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Security deposits	131.12	120.60
Advance from customers	460.52	853.00
Statutory and other dues	258.72	258.67
Total	850.36	1,232.27

24. CURRENT PROVISIONS

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Provision for Employee Benefits - Gratuity payable to Managing Director (See Note 35.13)	10.39	—
Total	10.39	—

25. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31.03.2021 ₹ in lakhs	As at 31.03.2020 ₹ in lakhs
Taxation (Net of advance tax)	490.15	—
Total	490.15	—

26. OTHER INCOME

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Interest income		
- from banks (TDS ₹ 0.03 lakhs - Previous year ₹ 2.53 lakh)	4.02	30.41
- from others (TDS ₹ 0.63 lakh - Previous year ₹ 0.45 lakh)	54.71	22.86
Gain on sale of investments classified at fair value through profit and loss	301.19	66.41
Net gain arising on investments measured at fair value through profit and loss	233.30	50.35
Income from wind energy	57.21	64.29
Insurance claim received	3.06	3.40
Gain on exchange rate fluctuation (net)	—	5.66
Net gain on sale of property, plant and equipment	0.37	1.23
Advances received from customers no more payable written back	—	3.66
Provision for doubtful debts written back	—	15.45
Creditors no more payable written back	0.09	14.24
Miscellaneous income	176.88	143.82
Total	830.83	421.78

27. COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Opening Stock	4,343.18	4,636.39
Purchases	1,27,809.34	1,24,685.28
	1,32,152.52	1,29,321.67
Less : Closing stock	14,620.37	4,343.18
Cost of Material consumed	1,17,532.15	1,24,978.49

Note 27.1 See Note 35.25 reporting an abnormal loss occurred after the balance sheet date.

28. PURCHASE OF STOCK-IN-TRADE

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Finished goods - Ready-mixed cattle feed	6,250.19	—
Raw Materials	363.70	—
Packing Materials	21.86	—
Total	6,635.75	—

29. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Opening Stock	2,543.46	3,353.49
Closing Stock	1,446.06	2,543.46
Changes in inventories of finished goods	1,097.40	810.03

30. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Remuneration and benefits to Employees and Directors		
Salary, wages, gratuity and bonus	4,525.73	4,414.18
Contribution to Provident Fund	329.14	320.34
Contribution to Employees' State Insurance Corporation	21.07	29.24
Contribution to KSE Ltd. Employees' Group Gratuity Fund Trust	106.60	103.08
Staff welfare expenses (See Note 35.8)	315.97	461.29
Total	5,298.51	5,328.13

31. FINANCE COSTS

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Interest Expenses		
- on Cash Credit	7.35	37.37
- on Public Deposits	140.44	115.08
- on Others	—	—
Other Borrowing Costs - Bank charges	0.60	0.26
Total	148.39	152.71

Note 31.1: Interest Expenses on Public Deposits include ₹ 3.54 lakhs (Previous year ₹ 0.87 lakh) being interest paid on deposits accepted from Directors.

32. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31.03.2021 ₹ in lakhs	Year ended 31.03.2020 ₹ in lakhs
Tangible Assets	237.13	278.72
Intangible Assets	5.03	1.98
Total	242.16	280.70

33. OTHER EXPENSES

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
	₹ in lakhs		₹ in lakhs	
Processing charges	2,916.44		2,408.27	
Packing materials consumed	2,581.05		2,542.98	
Power and fuel	1,701.49		1,682.66	
Freight	704.26		628.58	
Stores and spares consumed	641.04		617.21	
Rent (See Note 35.17)	58.03		43.40	
Rates and taxes	156.22		171.08	
Repairs				
Plant and machinery	62.24		72.60	
Building	34.67		24.97	
Vehicles	27.38		33.94	
Others	256.55	380.84	222.81	354.32
Travelling and conveyance	40.90		60.00	
Advertisement and Sales promotion (See Note 35.8)	220.47		147.79	
Postage and telephone	22.90		26.78	
Printing and stationery	13.45		18.93	
Insurance	102.41		74.22	
Sitting fees to Directors	23.25		23.80	
Payments to Auditors and expenses				
For Audit	7.00		6.50	
For Tax audit	1.00		1.00	
For GST Audit	—		—	
For Limited Review	4.00		4.00	
For Certification works	0.10		0.90	
Travelling and out-of-pocket expenses	1.11		3.33	
GST on the above	2.05	15.26	1.47	17.20
Professional charges	74.57		64.93	
Commission and Brokerage	1.30		2.28	
Bank Charges (See Note 35.8)	20.47		17.43	
Corporate Social Responsibility Expenditure (See Note 35.6)	98.40		98.17	
Irrecoverable debts written off	—		5.33	
Loss on Exchange Rate fluctuation (net)	1.63		—	
Advances written back in earlier year paid during current year	0.85		0.30	
General charges	127.05		109.81	
Total	9,902.28		9,115.47	

34. EARNINGS PER SHARE

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit for the year as per the Statement of Profit and Loss (Before Other Comprehensive Income) (₹ in lakhs)	11,293.03	1,889.90
Number of Equity Shares	32,00,000	32,00,000
Basic and diluted earnings per share (₹)	352.91	59.06

35. ADDITIONAL INFORMATION

35.1 Fair Value Measurement

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

Fair value hierarchy of financial instruments measured at fair value on a recurring basis is as follows:

Particulars	Fair value Hierarchy	Fair Value (₹ in lakhs)	
		As at 31.03.2021	As at 31.03.2020
Financial Assets measured at Fair value through Other Comprehensive Income Investments in Equity shares - Unquoted	3	2.50	2.50
Financial Assets measured at Fair value through Profit or Loss Investment in Mutual Funds - Unquoted	2	11,593.60	6,559.64

Category wise classification of financial instruments is as follows:

Particulars	Refer Note	Fair Value (₹ in lakhs)	
		As at 31.03.2021	As at 31.03.2020
Financial Assets measured at Fair value through Other Comprehensive Income Investments in Equity shares - Unquoted (Non current)	3	2.50	2.50
Financial Assets measured at Fair value through Profit or Loss Investment in Mutual Funds - Unquoted (Current)	8	11,593.60	6,559.64
Financial Assets measured at amortised cost			
Non current:			
i. Loans	4	185.04	138.89
ii. Other Financial Assets	5	4.31	6.30
Current:			
i. Trade receivables	9	37.97	40.86
ii. Bank balances other than cash and cash equivalents	11	153.25	154.21
iii. Loans	12	205.64	164.78
iv. Other Financial Assets	13	4.48	7.39
v. Cash and cash equivalents	10	630.40	66.79
		12,817.19	7,141.36
Financial Liabilities measured at amortised cost			
Non Current:			
i. Borrowings	18	993.01	891.51
Current:			
i. Borrowings	20	2,613.02	343.28
ii. Trade payables	21	1,924.56	707.62
iii. Other financial liabilities	22	2,239.80	1,586.89
		7,770.39	3,529.30

Financial Risk Management - Objectives and Policies

The Company has a well-managed risk management framework, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

1) Liquidity Risk

Liquidity risk is the risk that the Company will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The company has sound financial strength represented by its aggregate current assets including current investments as against aggregate current liabilities and its strong equity base. In such circumstances, liquidity risk is insignificant.

2) Market Risk

As the Company's overall debt is less compared to its equity, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation. The Company's investments are predominantly held in fixed deposits and debt mutual funds. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility. The Company also invests in mutual fund under schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of most of the mutual fund schemes in which the Company has invested, such price risk is not significant.

3) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks and other receivables.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited because the counterparties are banks and recognized financial institutions with high credit ratings.

For trade receivables, as a practical expedient, the company is accepting advance from customers against sale of goods. Hence credit risk is negligible.

4) Foreign Currency Risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risks.

The Company has established risk management policies to hedge the volatility arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward contracts. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are highly rated banks, the risk of their non-performance is considered to be insignificant.

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

As at 31st March, 2021, the Company has only one class of equity shares. The company is not subject to any externally imposed capital requirements.

35.2 Taxation

- (i) Reconciliation of income tax expense for the year to accounting profit - based on provisional Income tax workings, subject to audit under the relevant tax statutes.

₹ in lakhs

	Year Ended 31.03.2021	Year Ended 31.03.2020
(a) Profit before Tax as per Statement of Profit and Loss	14,968.80	2,608.07
Add : Other Comprehensive Income that will not be reclassified to Statement of Profit and Loss	(90.63)	(113.55)
Accounting Profit	14,878.17	2,494.52
(b) Tax on above at the applicable tax rate (refer (i) below)	3,744.54	627.82
(c) Tax effect of items that are not deductible in determining taxable profit	154.55	164.89
(d) Tax effect of items that are deductible in determining taxable profit	(340.85)	(134.01)
	3,558.24	658.70
(e) Add : Interest payable under Income Tax Act	66.92	24.96
(f) Tax and interest	3,625.16	683.66
(g) Add : Excess Provision made in accounts	24.84	16.34
(h) Current Tax as per Statement of Profit and Loss	3,650.00	700.00
(i) Applicable rate of tax as per Finance Act	25.168%	25.168%
(j) Average effective tax rate (f / a)	24.366%	27.406%

- (ii) Deferred Tax Expense- based on provisional Income tax workings, subject to audit under the relevant tax statutes.

₹ in lakhs

	As at 31.03.2020	Charge / (credit) to Statement of Profit or loss (2020-21)	Charge / (credit) to the Statement of Other Comprehensive Income (2020-21)	As at 31.03.2021 (a)+(b)+ (c)
	(a)	(b)	(c)	(d)
(a) Property, Plant and Equipment	(10.42)	(3.31)		(13.73)
(b) Employee Benefits	44.79	21.88	(22.81)	43.86
(c) Investments	12.67	47.37		60.04
(d) Other Current Liabilities	(25.20)			(25.20)
	21.84	65.94	(22.81)	64.97

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

	2020-21		2019-20	
	₹ in lakhs		₹ in lakhs	
I Contingent Liabilities				
a) Claims against the Company not acknowledged as debts (See Note below):				
(i) Goods and Service Tax (GST)	3.55		—	
(ii) Kerala General Sales Tax	25.40		25.40	
(iii) Freight/demurrage demanded by Indian Railways	57.11		57.11	
(iv) ESI	4.38		4.38	
b) Bank Guarantees in favour of KSEB	49.70		49.70	
c) Bank Guarantees for claim of GST (for Item “a (i)” above)	3.55			
d) Demand of Fine by BSE Limited	2.48		2.48	
e) Other money for which the Company is contingently liable	—	146.17	—	139.07
II Commitments				
a) Estimated amount of contracts remaining to be executed on capital account not provided for	170.19		18.32	
b) Letter of credit for import of raw materials	919.52	1,089.71	1,143.98	1,162.30
TOTAL		1,235.88		1,301.37

Details in respect of claims against the Company not acknowledged as debts disclosed above are as follows:

- (i) While transporting refined coconut oil sold for ₹35.47 lakhs, the vehicle was intercepted by The Kerala State GST Department, Mattanchery and issued a notice for deficiency in the transportation document (e-way bill) thereof, which is technical in nature. For release of the said vehicle, a Bank Guarantee was provided as security for an amount of ₹ 3.55 lakhs. Final order in this regard has not been issued yet.
- (ii) Assistant Commissioner (Assessment), Department of Commercial taxes, Thrissur had issued order demanding ₹ 25.40 lakhs (including interest ₹ 12.64 lakhs) 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 ₹ 57.11 lakhs 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 ₹1.57 lakhs for delay in payment of contributions relating to the period when the above stay was in operation and ₹ 0.19 lakh 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 lakhs 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 ₹ 1.63 lakhs as interest and ₹ 0.60 lakh 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 ₹0.75 lakh towards this demand on the direction of the Court, while granting stay. The balance demand not paid is ₹ 1.48 lakhs, and the case is still pending before ESI Court, Palakkad.
- (v) The BSE Limited, wherein the shares of the Company are listed, had issued a demand vide their letter No. Letter No. LIST/COMP/Reg. 27(2) & Reg 17 to 21/Dec-19/519421/283/2019-20 dated 03-02-2020, for a fine of ₹ 2.48 lakhs stating that the Company is non-compliant with Regulations 17 (1) and 19 (1) /19 (2) of SEBI (LODR) Regulations, 2015 dealing with requirements as the composition of the Board including failure to appoint woman director and for non-compliance with the constitution of the Nomination and Remuneration Committee. It has been represented to the BSE Limited in writing that the Company is fully compliant with these regulations and the Company has requested to recall the demand of fine. BSE Limited has not communicated on the said representations till date.

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.

35.4 Exceptional Items of ₹ 668.14 lakhs, shown in Statement of Profit and Loss for the year ended 31st March, 2021 represents profit on acquisition of 7.02 acres of land from Swaminathapuram and Thalayuthu Units of the Company for development of National Highway.

35.5 The closing stock of solvent extracted coconut oil as on 31st March, 2021 has been valued at production cost and the closing stock of solvent extracted coconut oil as on 31st March, 2020 has been valued at net realisable value as the said value is lesser than the production cost. As a result of this, the impact on the inventory as on the year end is Nil (previous year ₹ 79.81 lakhs).

35.6 Corporate Social Responsibility Expenses

	2020-21 ₹ in lakhs	2019-20 ₹ in lakhs
A. Gross amount required to be spent by the Company during the year	96.27	96.29
B. Amount spent during the year on:		
i Construction/Acquisition of any assets	—	—
ii Purposes other than (i) above (See Note 33)	98.40	98.17
	98.40	98.17
C. Related party transactions included in (B) above	—	—
D. Amount of provision and movement thereof during the year with respect to the above expense	—	—

35.7 While prescribing the procedures and implementing serious restrictions for curtailing the pandemic COVID-19, the Government had permitted the Companies involved in manufacture/processing of essential commodities and food items, including cattle feed, to operate the units/factories after observing prescribed safety conditions. Since the operations of the Company falls under this category, the operations of the Company have not been much affected though there are/were restrictions in availability of men and materials. However, the prolonged existence of the pandemic may have some effects in our operations, which may not be material as per the present assessment.

35.8 Certain items of income and expenses have been netted off while reporting and expenses are stated net of recoveries; sale of freezer and contribution received from dealers towards calendar and diaries are netted against Advertisement and Sales promotion, Lay time incentive received in foreign currency is netted against respective purchase account. Cost of tea supplied collected from employees is netted against Staff welfare expenses, bank charges recovered is netted against bank charges paid.

35.9 Balance with Government Authorities under Note 15 includes Goods and Service Tax (GST) which in the opinion of the management is either refundable or eligible for set off against future GST liabilities.

35.10 Stores and spares consumed include cost of materials used for repairs and maintenance.

35.11 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.

35.12 The company has a system of periodically obtaining and reconciling confirmations of balances with banks, suppliers and customers.

35.13 Movement in Provisions as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets (Refer Note 24)

	Provision for Employee Benefits - Gratuity payable (₹ in lakhs)	
	2020-21	2019-20
Balance as at the beginning of the year	—	—
Amount Provided during the year	10.39	—
Amount Utilised during the year	—	—
Balance as at the end of the year	10.39	—
Classified as Non-current	—	—
Classified as Current	10.39	—
TOTAL	10.39	—

35.14 Disclosures required under Ind AS 19 “Employee Benefits”

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:

	2020-21 ₹ in lakhs	2019-20 ₹ in lakhs
Employer’s Contribution to Provident Fund	329.14	320.34
Employer’s Contribution to Employee’s State Insurance Corporation	21.07	29.24

II Defined Benefit Plan / Other Long Term Benefits -

		Gratuity (Funded)		Compensated absences (Funded)	
		2020-21	2019-20	2020-21	2019-20
(i)	Actuarial Assumptions				
	Discount Rate (per annum)	6.34%	6.70%	6.34%	6.70%
	Expected Rate of return on plan assets (per annum)	7.00%	7.00%	7.00%	7.00%
	Compensation escalation Rate (per annum)	8.00%	8.00%	8.00%	8.00%
	Mortality Rate	Indian Lives Mortality (1994-96) Ultimate Table			
		2020-21 ₹ in lakhs	2019-20 ₹ in lakhs	2020-21 ₹ in lakhs	2019-20 ₹ in lakhs
(ii)	Reconciliation of present value of obligations				
	Present value of obligation at the beginning of the year	2,067.38	1,861.63	202.13	172.88
	Current service cost	123.89	114.51	145.71	146.92
	Interest cost	135.00	128.57	17.43	11.59
	Actuarial (gain) / loss	90.63	113.55	(65.62)	(124.54)
	Benefits paid / Settlement	(195.26)	(150.88)	(80.14)	(4.72)
	Present value of obligations at the end of the year	2,221.64	2,067.38	219.51	202.13
(iii)	Reconciliation of fair value of plan assets				
	Fair value of plan assets at the beginning of the year	2,182.11	2,008.16	266.25	237.34
	Expected return on plan assets	152.75	140.57	18.64	16.61
	Contributions by employer	179.30	184.83	21.88	16.11
	Benefits paid / Settlement	(195.27)	(150.88)	(0.18)	(4.72)
	Remeasurements - Return on Plan assets over expected return	(0.46)	(0.57)	1.69	0.91
	Fair value of plan assets at the end of the year	2,318.43	2,182.11	308.28	266.25

		Gratuity (Funded)		Compensated absences (Funded)	
		2020-21 ₹ in lakhs	2019-20 ₹ in lakhs	2020-21 ₹ in lakhs	2019-20 ₹ in lakhs
(iv)	Description of plan assets - Insurer managed assets	2,318.43	2,182.11	308.28	266.25
(v)	Major category of plan assets as % of total plan assets				
	Equities	—	—	—	—
	Bonds	—	—	—	—
	Gilts	—	—	—	—
	Own Investments / Properties	—	—	—	—
	Others - Insurer Managed Funds (LIC of India)*	100%	100%	100%	100%
	* In the absence of detailed information regarding plan assets which is funded by Insurance Company, the composition of each major category of plan assets, the percentage on amount of each category to the fair value of plan assets has not been disclosed.				
(vi)	Net (Asset) / Liability recognised in the balance sheet as at the end of the year				
	Present value of obligation at the end of the year	2,221.64	2,067.38	219.51	202.13
	Fair value of plan assets at the end of the year	2,318.43	2,182.11	308.28	266.24
	Net present value of funded obligation recognised as (asset) / liability in the balance sheet	(96.79)	(114.73)	(88.77)	(64.11)
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(vii)	Expenses recognised in the statement of profit and loss				
	Current service cost	123.89	114.51	145.71	146.92
	Interest cost	135.00	128.57	17.43	11.59
	Actual return on plan assets	(152.29)	(140.00)	(20.33)	(17.52)
	Actuarial (gain) / loss recognised in the period	—	—	(65.61)	(124.54)
	Total expenses recognised in the statement of profit and loss for the year	106.60	103.08	77.20	16.45
(viii)	Net Actuarial losses / (gains) recognised in Other Comprehensive Income				
	Net Actuarial losses / (gains) recognised in Other Comprehensive Income	90.63	113.55	—	—
	Actual return of plan assets	152.29	140.00	20.33	17.52
(ix)	Non-current and current value of obligation				
	Non-current	2,082.82	1,922.79	209.64	185.29
	Current	138.82	144.59	9.87	16.84
	Total value of obligation	2,221.64	2,067.38	219.51	202.13

	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs	31.03.2019 ₹ in lakhs	31.03.2018 ₹ in lakhs	31.03.2017 ₹ in lakhs
(x) Amount recognised in current year and previous four years					
Gratuity (Funded)					
Present value of defined benefit obligations	2,221.64	2,067.38	1,861.63	1,733.86	1,484.29
Fair value of plan assets	2,318.43	2,182.11	2,008.16	1,912.38	1,706.68
Funded status - (asset) / liability	(96.79)	(114.73)	(146.53)	(178.52)	(222.39)
Actuarial (gain) / loss on plan obligations	90.63	113.55	46.03	137.04	135.55
Actuarial gain / (loss) on plan assets	—	—	—	(2.16)	1.57
Compensated absences (Funded)					
Present value of defined benefit obligations	219.51	202.13	172.88	155.99	147.45
Fair value of plan assets	308.28	266.25	237.34	159.35	147.91
Funded status - (asset) / liability	(88.77)	(64.12)	(64.46)	(3.36)	(0.46)
Actuarial (gain) / loss on plan obligations	(65.61)	(124.54)	(137.66)	(84.39)	(79.23)
Actuarial gain / (loss) on plan assets	1.69	0.91	0.67	0.03	0.32

(xi) A quantitative sensitivity analysis for significant assumption (impact on defined benefit obligation) is as below:

A. Gratuity (Funded) -

	Year ended 31.03.2021		Year ended 31.03.2020	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	2,038.62	2,432.76	1,897.60	2,262.99
Salary increase rate	2,397.02	2,063.48	2,231.56	1,919.67
Employee turnover	2,536.37	222.16	3,144.15	990.62
Undiscounted Cash flow over the years	4,375.88		4,244.69	

B. Compensated absences (Funded)

	Year ended 31.03.2021		Year ended 31.03.2020	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	196.72	244.24	183.15	227.69
Salary increase rate	244.01	198.69	225.05	184.91
Employee turnover	333.84	105.18	307.41	96.85
Undiscounted Cash flow over the years	553.23		531.00	

In the above analysis the change in the factor is made with other factors remaining intact.

Undiscounted Cash flow over the years is the aggregate cash flow without discounting but keeping other factors intact and is the total payout for the current complement of staff. Maturity profile of the obligation is reflected in the undiscounted aggregate cash flow given above.

(xii) Note on actuarial risks

These plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

(a) *Investment Risk*

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds corresponding to the remaining average service life years.

(b) *Interest Risk*

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

(c) *Longevity Risk*

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(d) *Salary Risk*

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes:

1. The above disclosures are based on information certified by the independent actuary and relied upon by the Company.
2. 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.

35.15 Segment Information**Segment Revenue, Results and Capital Employed**

₹ in lakhs

	2020-21	2019-20
(a) Segment Revenue		
Animal Feed	1,31,006.59	1,26,428.27
Oil cake processing	38,568.46	27,741.73
Dairy	2,831.09	3,429.65
Total	1,72,406.14	1,57,599.65
Less Inter-segment Revenue - Oil cake processing	18,079.67	14,747.83
Total Revenue	1,54,326.47	1,42,851.82
(b) Segment Results		
Animal Feed	10,521.99	2,884.28
Oil cake processing	3,537.15	(383.78)
Dairy	(162.48)	(85.38)
Total	13,896.66	2,415.12
Add Unallocated income (net of unallocated expenditure)	493.66	292.39
Less Finance Costs	148.39	152.71
Add Interest Income	58.73	53.27
Total Profit before tax and exceptional items	14,300.66	2,608.07
Less Exceptional items	(668.14)	—
Profit before tax	14,968.80	2,608.07

	2020-21	2019-20
(c) Segment Assets		
Animal Feed	10,689.30	5,178.64
Oil cake processing	8,783.04	5,116.57
Dairy	799.37	836.33
Unallocated Assets	13,223.17	7,855.28
Total	33,494.88	18,986.82
(d) Segment Liabilities		
Animal Feed	3,268.26	2,474.54
Oil cake processing	755.90	401.16
Dairy	220.53	157.76
Unallocated Liabilities	4,941.57	1,749.95
Total	9,186.26	4,783.41
(e) Segment Capital Expenditure		
Animal Feed	254.26	90.15
Oil cake processing	27.02	(1.78)
Dairy	38.38	117.88
Unallocated Capital Expenditure	—	1.92
Total	319.66	208.17
(f) Segment Depreciation and amortisation expenses		
Animal Feed	90.77	111.20
Oil cake processing	37.04	43.24
Dairy	51.12	51.16
Unallocated Depreciation	63.23	75.10
Total	242.16	280.70
(g) There is no significant non-cash expenses, included in segment expenses, other than depreciation and amortisation expenses in respect of segment assets.		

Notes:

	2020-21 ₹ in lakhs	2019-20 ₹ in lakhs
1 Unallocated assets include		
Property, Plant and Equipment - Windmill	323.49	366.06
Non- current investments	2.50	2.50
Cash and Bank balances	783.65	222.90
Current tax asset	—	342.86
Current Investments	11,593.60	6,559.64
2 Unallocated liabilities include		
Long Term borrowings	993.01	891.51
Current maturities of Public Deposit	440.38	255.68
Interest accrued but not due on public deposits	152.08	107.81
Deferred tax liabilities	64.97	21.84
Unpaid dividends	95.47	89.57
Current tax liabilities	490.15	—
Short-term borrowings	2,613.02	343.28

35.16 Disclosure of Related Party Transactions in accordance with Ind AS 24 “ Related Party Disclosures”

A. Details of Related Parties:

Sl. No.	Nature of Relationship	Name of related party
1	Key managerial personnel (a) Executive Directors	Mr. A.P. George, Managing Director Mr. M.P. Jackson, Executive Director
	(b) Non-Executive Directors	Mr. P.D. Anto Mr. Paul Francis Ms. Marykutty Varghese Ms. Danesa Raghulal Dr. Pyarelal K.C. Mr. Verghese C.V. Mrs. Nina Paul Mr. Jose John Mr. Paul Jose
2	Entities over which the key managerial personnel and their relatives are able to exercise significant influence having transactions with the Company	
	Emceepee Traders	K.L. Francis & Sons
	M.C. Paul and Sons	K.L. Francis & Co
	Emceepee Agencies	KLF Oil Mills, Trichy
	MCP Rose Supermarket P. Ltd.	KLF Nirmal Industries P Ltd
	Surya Agencies	KPL Oil Mills P. Ltd.
	Pokkath Agencies	Delicious Cashew India P. Ltd.
Yamuna Roller Flour Mills P. Ltd.	POLJO Vyapar Kendra P. Ltd.	
3	Relatives of Key Managerial Personnel having transactions with the Company	
	Mrs. Annie Paul	Ms. Alpho Varghese
	Mr. Bellraj Eapen	Ms. Sawmiya Varghese
	Mrs. Thressiamma George	Ms. Seema Suresh
	Mr. A.G. Antony	Mr. Anish P. Anto
	Mr. Prince Panikulam	Ms. Sijy Anish
	Ms. Riya Prince	Ms. Allu Alex
	Ms. Usha Hemachandran	Mr. P.D. Vincent
4	Defined Benefit Gratuity Plan	KSE Employees’ Group Gratuity Fund Trust

B. Transactions with Related Parties during the year

(₹ in lakhs)

		Key Managerial Personnel		Close Family Members of Key Managerial Personnel		Entities Controlled/ Significantly influenced by Directors/Close Family Members of Directors	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
a.	Revenue Items						
	Revenue from sale of products	—	—	—	—	512.54	420.53
	Purchase of goods	—	—	—	—	1015.88	1205.43
	Remuneration to MD and ED	90.90	81.22	—	—	—	—
	Sitting Fees Paid to Non-executive Directors	23.25	23.80	—	—	—	—
	Reimbursement of Expenses - paid	4.35	4.20	—	—	—	—
	Interest on Public Deposit	3.54	0.87	13.36	11.48	—	—
	Sales Promotion	—	—	—	—	0.30	0.30
	Others	—	—	—	—	—	—
b.	Outstanding at the close of the year						
	Public Deposits	77.52	16.81	152.87	122.28	—	—
	Trade advances received	—	—	—	—	—	—
	Trade and other payables	—	—	—	—	14.31	3.01
	Bonus and gratuity payable	22.53	11.19	—	—	—	—
	Receivables	—	—	—	—	—	—

Note : Dividends as declared and paid to Key Managerial Personnel and their relatives, as applicable, based on shareholdings on the respective book closure dates, are not considered for the above statement.

c. Other entities where significant influence exist :

	2020-21 ₹ in lakhs	2019-20 ₹ in lakhs
Transaction with Defined Benefit Gratuity Plan		
Contribution to KSE Employees' Group Gratuity Fund Trust	179.30	216.63

d. 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.

35.17 Lease rental payments

	2020-21 ₹ in lakhs	2019-20 ₹ in lakhs
(a) Recognised in statement of profit and loss	58.03	43.40
(b) Future minimum lease rentals payable as per lease agreement at the year end		
(i) Not later than one year	21.64	7.26
Later than one year and not later than five years	23.05	8.40
Total	44.69	15.66
(c) The Company has hired buildings under rental arrangements which are treated as operating lease.		

35.18 Particulars in respect of stock and Revenue from Operations

₹ in lakhs

Sl. No.	Class of goods manufactured	Opening Value		Closing Value		Sales Value	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1.	Ready-mixed Cattle Feed and Feed Supplement	259.58	532.77	881.86	259.58	1,30,076.67	126,027.29
2.	De-oiled Coconut Cake	111.96	281.95	305.54	111.96	2,962.42	2,433.33
3.	Refined Coconut Oil	18.50	488.87	12.73	18.50	16,095.51	7,939.11
4.	Solvent Extracted Coconut oil	2,066.56	1984.46	187.90	2,066.56	986.11	2,394.98
5.	Milk	3.17	4.87	6.20	3.17	1,807.71	2,090.84
6.	Ice Cream	39.19	32.34	44.50	39.19	786.94	1,067.06
7.	Revenue from sale of Raw Materials	—	—	—	—	385.56	9.21
8.	Others	44.50	28.23	7.33	44.50	1,225.55	890.00
	Total	2,543.46	3,353.49	1,446.06	2,543.46	154,326.47	142,851.82

35.19 Raw materials consumed

		2020-21 ₹ in lakhs	2019-20 ₹ in lakhs
(a)	Coconut Oil Cake	31,800.11	27,528.99
(b)	Rice Bran	31,113.32	39,980.45
(c)	Maize	20,104.72	25,293.84
(d)	Cotton Seed Cake	11,541.38	9,177.18
(e)	Groundnut cake extraction	6,129.77	3,352.12
(f)	Deoiled soyabean cake	345.64	816.87
(g)	Rapeseed extraction	8,365.94	7,302.23
(h)	Milk	1,463.23	1,846.82
(i)	Others	6,668.04	9,679.99
	Total	117,532.15	124,978.49

35.20 Consumption of raw materials and stores and spares

		Year ended 31 st March 2021		Year ended 31 st March 2020	
		%	₹ in lakhs	%	₹ in lakhs
(a)	Raw Materials				
	Imported	21.71	25,521.99	13.23	16,537.05
	Indigenous	78.29	92,010.16	86.77	108,441.44
	Total	100.00	117,532.15	100.00	124,978.49
(b)	Stores and Spares				
	Imported	0.88	5.67	0.16	1.01
	Indigenous	99.12	635.37	99.84	616.20
	Total	100.00	641.04	100.00	617.21

	Year ended 31 st March 2021	Year ended 31 st March 2020
35.21 CIF value of imports (₹ in lakhs)		
- Raw materials	25,078.45	14,476.61
- Capital goods	Nil	Nil
- Stores and Spares	0.93	0.75
35.22 Expenditure in Foreign Currency (₹ in lakhs)	Nil	Nil
35.23 Earnings in Foreign Exchange (₹ in lakhs)	15.18	0.35
35.24 Remittance in foreign currencies on account of dividend (including remittance to NRE accounts)		
i) No. of Non-Resident shareholders	120	130
ii) No. of shares held by them	54,101	61,935
iii) Dividend remitted in Foreign Currency	Nil	Nil
35.25 838 tons of imported copra cake valued at Rs. 2.00 Crores, included in the closing stock of raw materials as on 31 st March, 2021, stored at Tuticorin intended for onward transportation to various units was found damaged by spontaneous combustion on 3 rd June, 2021 and steps for filing the claim with the insurance company has been initiated. Since the Management is confident of recovering the damage from the insurance company, no amount has been provided in the accounts as on 31 st March, 2021.		
35.26 On expiry of current term of appointment of Mr. M.P. Jackson (DIN 01889504) as Executive Director, he was reappointed by the Board in that post from 12 th February, 2021 and the remuneration paid to him with effect from that date is subject to approval of members in the ensuing Annual General Meeting.		
35.27 Figures of the previous year have been regrouped and recast wherever necessary to suit the current year's layout.		

For and on Behalf of Board of Directors of KSE Limited (CIN No.L15331KL1963PLC002028)				As per our report of even date attached
Jose John Chairman (DIN : 01797056)	Sd/-	A.P. George (DIN : 00106808) Managing Director	Sd/-	For SRIDHAR & CO. Chartered Accountants, Thiruvananthapuram (Firm No. 003978S)
R. Sankaranarayanan Chief Financial Officer and Company Secretary	Sd/-	M.P. Jackson (DIN : 01889504) Executive Director	Sd/-	
Irinjalakuda June 30, 2021		P.D. Anto (DIN : 00106965) Director	Sd/-	
		Paul Francis (DIN : 00382797) Director	Sd/-	Sd/- CA. I. Jayasindhu, F. C. A. (M. No. 205660) Partner UDIN: 21205660AAAAAK1641

SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

₹ in lakhs

	2020-21	2019-20	2018-19	2017-18	2016-17
A. ASSETS					
1. Net Fixed Assets	2608.31	2542.75	2620.04	2744.25	2897.11
2. Investments	11596.10	6562.14	4263.18	8335.63	3512.83
3. Current Assets and Advances	19290.47	9881.93	12840.26	11884.85	9217.89
Total asset	33494.88	18986.82	19723.48	22964.73	15627.83
B. LIABILITIES					
1. Secured and unsecured loans	4046.41	1490.47	4287.00	4394.21	3937.43
2. Other Liabilities	5139.85	3292.94	2459.33	4191.38	3030.14
Total liabilities	9186.26	4783.41	6746.33	8585.59	6967.57
C. NET WORTH (A-B)	24308.62	14203.41	12977.15	14379.14	8660.26
REPRESENTED BY					
1. Share Capital	320.00	320.00	320.00	320.00	320.00
2. Other Equity	23988.62	13883.41	12657.15	14059.14	8340.26
Shareholder's equity	24308.62	14203.41	12977.15	14379.14	8660.26

SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

₹ in lakhs

	2020-21	2019-20	2018-19	2017-18	2016-17
A. EARNED FROM					
1. Sales	154326.47	142851.82	120940.70	130417.33	104724.53
2. Other income	1498.97	421.78	766.26	519.07	209.58
	155825.44	143273.60	121706.96	130936.40	104934.11
B. PAID AND PROVIDED FOR					
1. Raw materials and finished goods	125265.30	125788.52	105279.64	106911.86	90184.66
2. Manufacturing, administrative, selling and other expenses	9902.28	9115.47	9612.48	8010.09	7501.91
3. Employee benefits expense	5389.14	5441.68	4933.01	4814.27	4265.09
4. Finance costs	148.39	152.71	130.85	119.91	201.53
5. Depreciation/amortisation	242.16	280.70	334.16	352.27	328.06
	140947.27	140779.08	120290.14	120208.40	102481.25
C. PROFIT BEFORE TAX (A-B)	14878.17	2494.52	1416.82	10728.00	2452.86
Less: Tax Expenses	3652.96	689.59	504.15	3853.69	905.48
D. NET PROFIT AFTER TAX	11225.21	1804.93	912.67	6874.31	1547.38
APPROPRIATED TO					
1. Dividend	3200.00	640.00	480.00	1920.00	960.00
2. Dividend distribution tax	—	—	98.67	394.66	195.43
3. Retained in business / (Utilised from accumulated profits)	8025.21	1164.93	334.00	4559.65	391.95
	11225.21	1804.93	912.67	6874.31	1547.38



BOARD OF DIRECTORS 2020-21

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 P.O.
Tel: 0481 2536829, 2536830,
2538718, 2538719
Kottayam Dist. -686 632

KSE Limited

Palakkad Unit, Othungode, Kerala,
Palakkad-678 004
Tel: 0491 2543332, 2543451, 2541858

KSE Limited

Dairy Unit, Konikkara, Marathakkara P.O.,
Thrissur-680 306 Tel: 0487 2351501, 2358806
Fax: 0487 2356394

KSE Limited

Ice Cream Unit, Vedagiri,
Kurumullur P.O.
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



Corporate Office

P.B. No. 20, Solvent Road, Irinjalakuda, Kerala - 680 121

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