

Ref: S. 177/2020-2021/

11<sup>th</sup> November, 2020

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

Dear Sirs,

Sub: Submission of Annual Report for the year ended 31<sup>st</sup> March, 2020 along with Notice of Annual General Meeting to be held on 15<sup>th</sup> December, 2020 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report for the year ended 31<sup>st</sup> March, 2020 along with Notice of Annual General Meeting to be held on Tuesday, 15<sup>th</sup> December, 2020 at 3.00 p.m.

Thanking You,  
Yours faithfully,  
For **KSE** Limited



**R. Sankaranarayanan**  
*Chief Financial Officer and  
Company Secretary*

**KSE**

**56<sup>th</sup>**

**ANNUAL REPORT**  
**2019-2020**



**BOARD OF DIRECTORS - 2020**





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

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

#### Cost Auditors

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

#### Bankers

ICICI Bank Limited

#### Registrars and Share Transfer Agents

M/s. S.K.D.C. Consultants Limited,  
Kanapathy Towers, 3rd Floor,  
1391/A-1, Sathy Road, Ganapathy,  
Coimbatore – 641006  
Phone : 0422 4958995, 2539835,2539836  
Mail : info@skdc-consultants.com

#### 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 Tuesday,  
15<sup>th</sup> December, 2020 at 3.00 p.m.

#### Venue

Registered Office,  
Solvent Road, Irinjalakuda - 680 121

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## 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

	<b>2019-2020</b> ₹ in Lakhs	2018-2019 ₹ in Lakhs
Sales and other Income	<b>143273.60</b>	121706.96
Gross Profit (Profit before Depreciation and Finance costs)	<b>3041.48</b>	2098.36
Profit before tax	<b>2608.07</b>	1462.85
Profit for the year (after tax)	<b>1889.90</b>	942.61
Other Comprehensive Income (net of tax)	<b>(84.97)</b>	(29.94)
Total Comprehensive Income (after tax)	<b>1804.93</b>	912.67
Shareholders' Equity (Net worth)	<b>14203.41</b>	12977.15
Capital employed	<b>15116.76</b>	13689.47
	<b>₹</b>	<b>₹</b>
Shareholders' equity per share	<b>443.86</b>	405.54
Earnings per share of ₹10 each	<b>59.06</b>	29.46
Proposed Dividend	<b>200%</b>	150%



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

## NOTICE OF THE 56<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 56<sup>th</sup> 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 Tuesday, the 15<sup>th</sup> December, 2020 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 31<sup>st</sup> March, 2020

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

“RESOLVED THAT the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2020 including balance sheet as at 31<sup>st</sup> March, 2020 and the statement of profit and loss for the year ended 31<sup>st</sup> March, 2020 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 ₹ 20 per equity share

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

“RESOLVED THAT final dividend of ₹ 20 per equity share on 32,00,000 equity shares of ₹ 10 each be and is hereby declared out of the profits of the Company for the year ended 31<sup>st</sup> March, 2020 absorbing an amount of ₹ 6,40,00,000 and that the dividend of ₹ 20 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30<sup>th</sup> June, 2020 be paid to those shareholders, whose names appear in the Company’s register of members as on 15<sup>th</sup> December, 2020 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 8<sup>th</sup> December, 2020 as per the details furnished by the depositories for this purpose.”

#### 3. Reappointment of Director, retiring by rotation, Mr. P.D. Anto (DIN : 00106965)

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

“RESOLVED THAT Mr. P.D. Anto (DIN : 00106965), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company.”

#### 4. Reappointment of Director, retiring by rotation, Mrs. Marykutty Varghese (DIN : 07307987)

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

“RESOLVED THAT Mrs. Marykutty Varghese (DIN : 07307987), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a director of the Company.”

#### 5. Appointment of Auditors

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

“RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions of the Companies Act, 2013 (‘the Act’), including any statutory modifications, amendments or re-enactments thereof, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, and pursuant to the recommendations of the Audit Committee, M/s. Sridhar & Co., Chartered Accountants, Thiruvananthapuram (ICAI Firm Registration No. 003978S) be and are hereby reappointed as Statutory auditor of the company, with effect from the conclusion of this Annual General Meeting till the conclusion of the 61<sup>st</sup> Annual General Meeting to be held in year 2025 on such remuneration and out-of-pocket, travelling and living expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors, from time to time.

FURTHER RESOLVED THAT the Board of Directors be and is hereby empowered and authorised to take such steps in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution, including the power to alter and vary the terms and conditions of appointment and the remuneration, from time to time, and also to file necessary E Forms with Ministry of Company Affairs.”



## SPECIAL BUSINESS

### 6. Approval for acceptance of Deposits from Public/Members

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

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

### 7. Approval of remuneration to Cost Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. A.R. Narayanan & Co, Cost Accountants, Cochin, (ICAI Firm Registration No. 101421) appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending 31<sup>st</sup> March, 2021 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.”

### 8. Enhancement of Remuneration of Mr. M.P. Jackson (DIN 01889504), 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 enhancement of remuneration of Mr. M.P. Jackson (DIN 01889504), Executive Director of the Company, and that he be paid following remuneration by way of salary, bonus, perquisites and allowances, for the period from 1<sup>st</sup> October, 2019 till the expiry of his current term of appointment as on 11<sup>th</sup> February, 2021, as approved by the Nomination and Remuneration Committee and thereafter by the Board of Directors in their respective meetings held on 24<sup>th</sup> September, 2019:

#### (a) Salary

₹ 2,05,000 (Rupees Two Lakhs Five Thousand only) per month.

#### (b) Bonus

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

#### (c) Gratuity

Gratuity, as per the Rules of the Company, subject to completion of a service of five years, at the rate of half a month's last drawn salary for each year of completed service 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 the Executive Director, he will be paid above remuneration as minimum remuneration, subject to the terms in Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactments thereof or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

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

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

#### 9. Appointment of Mrs. Nina Paul (DIN: 08576074) as Independent Director

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

"RESOLVED that pursuant to Section 149 read with Schedule-IV, Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Company be and is hereby accorded to the appointment of Mrs. Nina Paul (DIN: 08576074) [who has submitted declaration that she meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015] as an Independent Director of the Company by the Board of Directors for a period of three consecutive years from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2022, as per the decision of the Board on the recommendation of the Nomination and Remuneration Committee in their respective meetings held on 24<sup>th</sup> September, 2019 in order to fill up the intermittent vacancy of the Independent Directors."

#### 10. Appointment of Mr. Jose John (DIN: 01797056) as Independent Director

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

"RESOLVED that pursuant to Section 149 read with Schedule-IV, Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Company be and is hereby accorded to the appointment of Mr. Jose John (DIN: 01797056) [who has submitted declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015] as an Independent Director of the Company by the Board of Directors for a period of three consecutive years from 1<sup>st</sup> November, 2019 to 31<sup>st</sup> October, 2022, as per the decision of the Board on the recommendation of the Nomination and Remuneration Committee in their respective meetings held on 24<sup>th</sup> October, 2019 in order to fill up the intermittent vacancy of the Independent Directors."

#### 11. Appointment of Mr. Paul Jose (DIN: 01616504) as Independent Director

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

"RESOLVED that pursuant to Section 149 read with Schedule-IV, Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Company be and is hereby accorded to the appointment of Mr. Paul Jose (DIN: 01616504) [who has submitted declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015] as an Independent Director of the Company by the Board of Directors for a period of three consecutive years from 1<sup>st</sup> November, 2019 to 31<sup>st</sup> October, 2022, as per the decision of the Board on the recommendation of the Nomination and Remuneration Committee in their respective meetings held on 24<sup>th</sup> October, 2019 in order to fill up the intermittent vacancy of the Independent Directors."

Irinjalakuda  
27<sup>th</sup> August, 2020

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. Additional information, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to appointment of the Statutory Auditors of the Company, as proposed under Item No. 5 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.
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 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 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 2020.
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 2019-20 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 2019-20 will also be available on the Company's website [www.kselimited.com](http://www.kselimited.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of Central Depository Services Limited (CDSL) [www.evotingindia.com](http://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 9<sup>th</sup> December, 2020 to 15<sup>th</sup> December, 2020 (both days inclusive).
7. The dividend, if declared at the Annual General Meeting, would be paid/despatched, subject to deduction of tax at source, on or after 15<sup>th</sup> December, 2020 to those persons or their mandates:
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on 8<sup>th</sup> December, 2020 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 15<sup>th</sup> December, 2020.
8. Pursuant to Finance Act 2020, 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 Finance Act, 2020 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 shares held in physical mode) and depositories (in case of shares held in demat mode).

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](mailto:green@skdc-consultants.com) by 8<sup>th</sup> December, 2020. 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 8<sup>th</sup> December, 2020 to [green@skdc-consultants.com](mailto:green@skdc-consultants.com).
9. Pursuant to the Regulation 40 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1<sup>st</sup> 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 31<sup>st</sup> March 2014 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 31<sup>st</sup> March, 2019 relating to the financial years from 2011-2012, on the website of the IEPF ([www.iepf.gov.in](http://www.iepf.gov.in)) and on the website of the Company at [www.kselimited.com](http://www.kselimited.com).
12. Pursuant to Rule 6 of the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, read with Section 124 and 125 of the Companies Act, 2013, all shares in respect of which dividends are not claimed for the last seven years in respect of any shareholder have to be transferred to the IEPF Demat account. Shareholders who have not claimed their dividends during the last seven years can write to our Registrar & Transfer Agents M/s. S.K.D.C. Consultants Ltd. for further details and for making a valid claim for the unclaimed dividends. Concerned shareholders who wish to claim the shares/ Dividend(s) after transfer to IEPF, a separate application has to be made to the IEPF Authority in Form IEPF-5, as prescribed under the Rules.
13. The members are requested to address all correspondences, including dividend matters and change in their addresses, to M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 Phone:+91422-4958995, 2539835, 2539836 Email: [info@skdc-consultants.com](mailto:info@skdc-consultants.com).
14. Members holding shares in the electronic mode are requested to approach their respective Depository Participants for effecting change of address and updation of bank account details.
15. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents of the Company, at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
16. Members have facility for dematerialising equity shares of the Company with National Securities Depository Ltd. and Central Depository Services (India) Ltd. The ISIN No. allotted to the Company is INE953E01014. Any member desirous of dematerialising his holding may do so through any of the Depository Participants.
17. 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 12<sup>th</sup> December, 2020 at 9.00 a.m. and ends on 14<sup>th</sup> December, 2020 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 8<sup>th</sup> December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 14<sup>th</sup> December, 2020 at 5.00 p.m.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID.
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the demat holders also for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "KSE Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take print-out of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case of members whose E mail 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 the RTA in [green@skdc-consultants.com](mailto:green@skdc-consultants.com)
  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 the RTA in [green@skdc-consultants.com](mailto:green@skdc-consultants.com)

#### 19. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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](mailto:investor.relations@kselimited.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investor.relations@kselimited.com](mailto:investor.relations@kselimited.com). These queries will be replied to by the company suitably either by mail or in the course of the meeting.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### 20. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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.
4. Shareholders who have already voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

If you have any queries or issues regarding attending AGM/e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

### Item 5 - Appointment of Auditors

In the 55<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> August, 2019, pursuant to the provisions of Section 139 (8) of the Companies Act, 2013, M/s. Sridhar & Co. (ICAI Firm Registration No. 003978S), Thiruvananthapuram was appointed as Statutory Auditor of the company, for audit of the accounts for the year 2019-20, in the casual vacancy resulting from the resignation of M/s. S. S. Ayyar & Co., Chartered Accountants, Kottayam (ICAI Firm Registration No. 050012 S) who were the Statutory Auditors of the Company for the audit of accounts relating to the financial years 2017-18 and 2018-19.

The Board at their meeting held on 30-05-2019 had fixed a professional fee of ₹ 11.00 lakhs, plus out of pocket expenses and GST at applicable rates, to M/s. Sridhar & Co. (ICAI Firm Registration No. 003978S), for the statutory audit for the year ended 31<sup>st</sup> March, 2020, which will also cover all the certification works relating to and/or incorporated in the Annual Report for 2019-2020 and also for Limited Review Reports, Income-tax Audit, etc. for the year 2019-20.

The Board in the meeting held on 30-06-2020 decided to seek the approval for the reappointment of M/s. Sridhar & Co. (ICAI Firm Registration No. 003978S), as the statutory auditors of the company from the conclusion of this annual general meeting until the conclusion of the 61<sup>st</sup> annual general meeting of the Company to be held in the year 2025, for the audit of accounts relating to the years ending 31<sup>st</sup> March, 2021 to 31<sup>st</sup> March, 2025, on a professional fee of ₹ 12 lakhs (Rupees Twelve Lakhs only) for the purpose of audit of the accounts of the Company for the year 2020-2021, plus out of pocket expenses and GST at applicable rates, which will also cover all the certification works relating to and/or incorporated in the Annual Report for 2020-2021 and also for Limited Review Reports and Income-tax Audit for the said year. The Board also seeks approval of the members for enabling/authorising the Board to vary the terms and conditions of appointment, revision including upward revision of the remuneration during the proposed tenure of five years, etc., in such manner and to such extent as may be mutually agreed with the Statutory Auditors. The remuneration paid to the Statutory Auditors will be disclosed in the Corporate Governance Report as well as the Annual Financial Statements of the Company on an annual basis.

M/s. Sridhar & Co., Chartered Accountants, established in year 1988 at Thiruvananthapuram by the Founder Partner CA. R. Sridhar, FCA, has now 10 Chartered Accountants as its partners, with around 50 staff, including qualified assistants, and trainees as audit team. They are/were statutory auditors/Branch Auditors for several banks, PSUs and other public limited companies. In the opinion of the Board, M/s. Sridhar & Co., Chartered accountants are capable of handling the audit of a company of the size, magnitude and diversity of KSE Limited. M/s. Sridhar & Co, Chartered Accountants have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Companies Act, 2013 and Rules made thereunder. The Board of Directors recommends the Ordinary Resolution for the appointment of M/s. Sridhar & Co. as statutory auditors of the Company for the approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company is, in any way, financially or otherwise, concerned or interested in the resolution.

### Item 6 - Approval for acceptance of Deposits from Public/Members

The Company is accepting Fixed Deposits from public and members complying with the conditions laid down by Sections 73 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. 6 of the Notice. This Resolution enables the Board of Directors of the Company to accept/renew deposits up to the permissible limits laid down in the Rules.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice, except to the extent to any deposits that they may have placed with the Company and interest payable thereon under its present Fixed Deposit Scheme.

The Board commend the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the Members.

### Item 7 - Approval of remuneration to Cost Auditor

The Board has approved the appointment of M/s. A.R. Narayanan & Co, Cost Accountants, Cochin, (ICAI Firm Registration No. 101421), a firm of Cost Accountant in Practice, as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2021 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2021.

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 commend the resolution for adoption.

### Item 8 - Enhancement of Remuneration of Mr. M.P. Jackson (DIN 01889504), Executive Director

On the recommendation of the Nomination and Remuneration Committee, the Board, in their meeting held on 12<sup>th</sup> February, 2018 has decided to appoint 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 a period of three years from 12<sup>th</sup> February, 2018 to 11<sup>th</sup> 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, with effect from 1<sup>st</sup> October, 2019 for the rest of his current term appointment, that is up to 11<sup>th</sup> February, 2021, to ₹ 2,05,000 per month plus other benefits as specified in the Resolution No. 8, subject to the approval of the members by Ordinary resolution for the enhancement of his remuneration, based on the recommendation of Nomination and Remuneration Committee for the enhancement of remuneration, as per the decisions in their respective meetings held on 24<sup>th</sup> September, 2019.

Mr. M. P. Jackson (DIN 01889504), aged 67, 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 above 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.

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 2019-20	₹ in Lakhs
		Total Revenue – Revenue from operations and Other Income	143273.60
		Profit Before tax	2608.07
		Tax Expense	718.17
		Total comprehensive income (net of tax)	1804.93
		Net worth	14203.41
5.	Foreign investments or collaborations	Nil	
II	INFORMATION ABOUT APPOINTEE		
1.	Back Ground Details	As narrated above	
2.	Past Remuneration	For financial year 2019-20 - ₹ 34.86 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, subject to the direction and control of the Managing Director. Given his experience, his appointment and remuneration is considered well suited for the position.	
5.	Remuneration proposed	As specified in the Resolution.	
6.	Comparative remuneration profile with respect to the industry	The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in Feed Industry.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Besides the remuneration proposed to be paid to him, Mr. M. P. Jackson and his relatives are holding deposits under Fixed Deposit Scheme of the Company and the outstanding balance thereof as on 31.03.2020 is ₹ 88.48 lakhs and interest paid on the said deposits during year 2019-20 is ₹ 8.46 lakhs.	
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 ₹ 1804.93 Lakhs during the year ended 31 <sup>st</sup> March, 2020.	
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 Mrs. Nina Paul (DIN: 08576074) as Independent Director

The Special Resolutions moved for the re-appointment of Dr. Jose Paul Thaliyath, Mr. Joseph Xavier and Mr. Paul John as Independent Directors of the Company, for a further period of five years, could not obtain requisite majority in the 55<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> August, 2019, and hence they vacated their respective office, on completion of their original tenure of appointment in September 2019. In order to comply with the provisions of Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had to fill up the intermittent vacancies of the three independent Directors, within three months of their vacation.

In their respective meetings held on 24<sup>th</sup> September, 2019, Board decided to fill up the intermittent vacancy of the Independent Directors, on the recommendation of Nomination and Remuneration Committee, by appointing Mrs. Nina Paul (DIN: 08576074) as an Independent Director of the Company to hold office for a period of three consecutive years from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2022, pursuant to Section 149 read with Schedule-IV, Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of the members at the ensuing Annual General Meeting. Mrs. Nina Paul (DIN: 08576074) hails from a respectable family engaged in coconut farming and copra milling, and her experience on these areas can be effectively utilized by the Company. She is a member of the Stakeholders' Relationship Committee effective from 1<sup>st</sup> November, 2019.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background and experience and contributions made by her during her tenure, the appointment of Mrs. Nina Paul (DIN: 08576074) would be beneficial to the Company and it is desirable to avail her services as an Independent Director. Accordingly, the members may approve the decision of the Board to appoint Mrs. Nina Paul (DIN: 08576074) as an Independent Director of the Company, not liable to retire by rotation, for a period of three consecutive years from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2022.

Mrs. Nina Paul (DIN: 08576074) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. Copy of the letter of appointment of Mrs. Nina Paul (DIN: 08576074) as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

The Company has also received declaration from Mrs. Nina Paul (DIN: 08576074) that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). She has successfully qualified the online proficiency self-assessment Test for Independent Director's Databank as provided by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. In the opinion of the Board, Mrs. Nina Paul (DIN: 08576074) fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mrs. Nina Paul (DIN: 08576074) is independent of the management.

She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever, as may be decided by the Board, and reimbursement of expenses for participating in the Board and other committee meetings within the limits stipulated under Section 197 of the Companies Act, 2013.

This statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further information about Mrs. Nina Paul (DIN: 08576074), in accordance with the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached.

Mrs. Nina Paul (DIN: 08576074) is interested in the resolution set out at Item No. 9 of the Notice with regard to her appointment. Relatives of Mrs. Nina Paul (DIN: 08576074) may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the ordinary resolution in relation to the appointment of Mrs. Nina Paul (DIN: 08576074), as Independent Director of the Company for a period of three consecutive years from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2022, for the approval of the shareholders of the Company.

#### **10. Appointment of Mr. Jose John (DIN: 01797056) as Independent Director**

The Special Resolutions moved for the re-appointment of Dr. Jose Paul Thaliyath, Mr. Joseph Xavier and Mr. Paul John as Independent Directors of the Company, for a further period of five years, could not obtain requisite majority in the 55<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> August, 2019, and hence they vacated their respective office, on completion of their original tenure of appointment in September 2019. In order to comply with the provisions of Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had to fill up the intermittent vacancies of the three independent Directors, within three months of their vacation.

In their respective meetings held on 24<sup>th</sup> October, 2019, Board decided to fill up the intermittent vacancy of the Independent Directors, on the recommendation of Nomination and Remuneration Committee, by appointing Mr. Jose John (DIN: 01797056) as an Independent Director of the Company to hold office for a period of three consecutive years from 1<sup>st</sup> November, 2019 to 31<sup>st</sup> October, 2022, pursuant to Section 149 read with Schedule-IV, Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of the members at the ensuing Annual General Meeting. Mr. Jose John (DIN: 01797056) hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He is also engaged in cashew business and his experience on these areas can be effectively utilized by the Company. He is the Managing Director of K P L Oil Mills Pvt. Ltd., Irinjalakuda. He is a graduate in Economics and has completed articleship with the leading Chartered Accountancy Firm, M/s. A.F. Ferguson, Mumbai. He is appointed as the Chairperson of the Board of Directors of the Company and also as a member of the Audit Committee, effective from 1<sup>st</sup> November, 2019.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the appointment of Mr. Jose John (DIN: 01797056) would be beneficial to the Company and it is desirable to avail his services as an Independent Director.

Accordingly, the members may approve the decision of the Board to appoint Mr. Jose John (DIN: 01797056) as an Independent Director of the Company, not liable to retire by rotation, for a period of three consecutive years from 1<sup>st</sup> November, 2019 to 31<sup>st</sup> October, 2022.

Mr. Jose John (DIN: 01797056) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Copy of the letter of appointment of Mr. Jose John (DIN: 01797056) as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

The Company has also received declaration from Mr. Jose John (DIN: 01797056) that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). He has successfully qualified the online proficiency self-assessment Test for Independent Director's Databank as provided by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. In the opinion of the Board, Mr. Jose John (DIN: 01797056) fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Jose John (DIN: 01797056) is independent of the management.

He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever, as may be decided by the Board, and reimbursement of expenses for participating in the Board and other committee meetings within the limits stipulated under Section 197 of the Companies Act, 2013.

This statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further information about Mr. Jose John (DIN: 01797056), in accordance with the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached.

Mr. Jose John (DIN: 01797056) is interested in the resolution set out at Item No. 10 of the Notice with regard to his appointment. Relatives of Mr. Jose John (DIN: 01797056) may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the ordinary resolution in relation to the appointment of Mr. Jose John (DIN: 01797056), as Independent Director of the Company for a period of three consecutive years from 1<sup>st</sup> November, 2019 to 31<sup>st</sup> October, 2022, for the approval of the shareholders of the Company.

#### **11. Appointment of Mr. Paul Jose (DIN: 01616504) as Independent Director**

The Special Resolutions moved for the re-appointment of Dr. Jose Paul Thaliyath, Mr. Joseph Xavier and Mr. Paul John as Independent Directors of the Company, for a further period of five years, could not obtain requisite majority in the 55<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> August, 2019, and hence they vacated their respective office, on completion of their original tenure of appointment in September 2019. In order to comply with the provisions of Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had to fill up the intermittent vacancies of the three independent Directors, within three months of their vacation.

In their respective meetings held on 24<sup>th</sup> October, 2019, Board decided to fill up the intermittent vacancy of the Independent Directors, on the recommendation of Nomination and Remuneration Committee, by appointing Mr. Paul Jose (DIN: 01616504) as an Independent Director of the Company to hold office for a period of three consecutive years from 1<sup>st</sup> November, 2019 to 31<sup>st</sup> October, 2022, pursuant to Section 149 read with Schedule-IV, Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the approval of the members at the ensuing Annual General Meeting. Mr. Paul Jose (DIN: 01616504), a B.A. (Economics) graduate, hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He is currently the Managing Director of POLJO Group of Companies located nearby Irinjalakuda. He is appointed as the Chairperson of the Nomination and Remuneration Committee of the Board and also as a member of the CSR Committee, effective from 1<sup>st</sup> November, 2019.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the appointment of Mr. Paul Jose (DIN: 01616504) would be beneficial to the Company and it is desirable to avail his services as an Independent Director. Accordingly, the members may approve the decision of the Board to appoint Mr. Paul Jose (DIN: 01616504) as an Independent Director of the Company, not liable to retire by rotation, for a period of three consecutive years from 1<sup>st</sup> November, 2019 to 31<sup>st</sup> October, 2022.

Mr. Paul Jose (DIN: 01616504) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Copy of the letter of appointment of Mr. Paul Jose (DIN: 01616504) as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

The Company has also received declaration from Mr. Paul Jose (DIN: 01616504) that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). He has successfully qualified the online proficiency self-assessment Test for Independent Director's Databank as provided by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. In the opinion of the Board, Mr. Paul Jose (DIN: 01616504) fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Paul Jose (DIN: 01616504) is independent of the management.

He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever, as may be decided by the Board, and reimbursement of expenses for participating in the Board and other committee meetings within the limits stipulated under Section 197 of the Companies Act, 2013.

This statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further information about Mr. Paul Jose (DIN: 01616504), in accordance with the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached.

Mr. Paul Jose (DIN: 01616504) is interested in the resolution set out at Item No. 11 of the Notice with regard to his appointment. Relatives of Mr. Paul Jose (DIN: 01616504) may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the ordinary resolution in relation to the appointment of Mr. Paul Jose (DIN: 01616504), as Independent Director of the Company for a period of three consecutive years from 1<sup>st</sup> November, 2019 to 31<sup>st</sup> October, 2022, for the approval of the shareholders of the Company.

Irinjalakuda  
27<sup>th</sup> August, 2020

By Order of the Board  
For KSE Limited

Sd/-

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)

R. Sankaranarayanan  
Chief Financial Officer and  
Company Secretary

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

Resolution No.	Item 3	Item 4	Item 8
Name of Directors	Mr. P.D. Anto (DIN: 00106965)	Mrs. Marykuttu Varghese (DIN: 07307987)	Mr. M.P. Jackson (DIN: 01889504)
Date of Birth	05/05/1950	10/11/1953	19/11/1952
Date of Appointment	29/03/1989	01/10/2015	14/11/2017
Qualification	SSLC	PDC	B. Sc. (Physics) appeared
Experience	Hails from a respectable business family of Irinjalakuda, engaged mainly in oil milling. He is having immense experience in oil milling. He joined as a Director of the Company effective from 29.03.1989. He is also acting as a member of the Stakeholders' Relationship Committee of the Company with effect from 28.09.2002 and as Chairman of the said Committee from 22.09.2015. He is also a member of Nomination and Remuneration Committee with effect from 1 <sup>st</sup> September, 2007.	She has married to a respectable business family of Irinjalakuda engaged primarily in oil mill industry. She has been appointed as a Director of the Board from 01.10.2015 and nominated to the Stakeholder's Relationship Committee of the Company by the Board with effect from that date.	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 31.03.2020	11,050	10,113	44,838

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

Resolution No.	Item 9	Item 10	Item 11
Name of Directors	Mrs. Nina Paul (DIN 08576074)	Mr. Jose John (DIN: 01797056)	Mr. Paul Jose (DIN: 01616504)
Date of Birth	16/04/1965	28/10/1957	19/04/1958
Date of Appointment	01/10/2019	01/11/2019	01/11/2019
Qualification	B. Sc.	B.A. (Economics)	B.A. (Economics)
Experience	Hails from a respectable family engaged in coconut farming and copra milling. Managing 35 acres of scientific organic integrated farm for over 15 years. Was President of District Women's Council and Secretary of State Women's Council. She is acting as a member of Stakeholder's Relationship Committee with effect from 1 <sup>st</sup> November, 2019.	Hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He is also engaged in cashew business and his experience on these areas can be effectively utilized by the Company. He is the Managing Director of K P L Oil Mills Pvt. Ltd., Irinjalakuda. He is a graduate in Economics and has completed articleship with the leading Chartered Accountancy Firm, M/s. A.F. Ferguson, Mumbai. He is appointed as the Chairperson of the Board of Directors of the Company and also as a member of the Audit Committee, effective from 1 <sup>st</sup> November, 2019.	Hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He is currently the Managing Director of POLJO Group of Companies located nearby Irinjalakuda. He is appointed as the Chairperson of the Nomination and Remuneration Committee of the Board and also as a member of the CSR Committee, effective from 1 <sup>st</sup> November, 2019.
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 31.03.2020	21327	Nil	969

## BOARD'S REPORT

Your Directors are pleased to present the 56<sup>th</sup> Annual Report and the audited accounts for the financial year ended 31<sup>st</sup> March 2020.

### Financial Highlights

	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
Revenue from Operations	1,42,851.82	1,20,940.70
Earnings Before Taxes, Finance Costs, Depreciation and Amortization	3,041.48	2,098.36
Less : Finance Costs	152.71	130.85
Less : Depreciation and Amortisation expense	280.70	334.16
Profit Before Exceptional Item and Tax	2,608.07	1,633.35
Exceptional Item	—	170.50
Profit Before Tax	2,608.07	1,462.85
Less : Tax Expense	718.17	520.24
Profit After Tax	1,889.90	942.61
Other Comprehensive Income (net of tax)	(84.97)	(29.94)
Total Comprehensive Income	1,804.93	912.67
Opening balance in Retained Earnings	3,758.76	5,360.75
AMOUNT AVAILABLE FOR APPROPRIATION	5,563.69	6,273.42
Dividend distributed during the year - Final	480.00	1,920.00
Dividend Distribution Tax on above	98.67	394.66
Transfer to General Reserve	1,000.00	200.00
Closing Balance in Retained Earnings	3,985.02	3,758.76

### Dividend

Your Directors recommend a dividend of 200 % (₹ 20.00 per share of ₹ 10 each) for the year ended 31<sup>st</sup> March, 2020, out of the profits of the Company for the year ended 31<sup>st</sup> March, 2020, absorbing a total amount of ₹ 6,40,00,000 (subject to deduction of income tax at source). The dividend of ₹ 20 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30<sup>th</sup> June, 2020, 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 15<sup>th</sup> December 2020. 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 8<sup>th</sup> December, 2020 as per the details furnished by the depositories for this purpose."

The dividend payout for the year 2019-20 has been decided in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met out of internal cash accruals.

### Unpaid Dividend

Pursuant to Section 124 and 125 of Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend up to and including for the financial year 2011-12 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 31<sup>st</sup> March, 2019 relating to the financial years from 2011-2012, on the website of the IEPF ([www.iepf.gov.in](http://www.iepf.gov.in)) and on the website of the Company at [www.kselimited.com](http://www.kselimited.com)

The dates of declaration of Dividend since 2012-13 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 <sup>st</sup> March 2020	Due date for Transfer to Investor Education and Protection Fund
2012-13 (Final Dividend)	31 July, 2013	30 July, 2020	4,65,960	30 August, 2020
2013-14 (Final Dividend)	25 September, 2014	24 September, 2021	10,64,880	24 October, 2021
2014-15 (Interim Dividend)	12 February, 2015	11 February, 2022	5,46,600	14 March, 2022
2014-15 (Interim Dividend)	25 March, 2015	24 March, 2022	9,99,240	24 April, 2022
2014-15 (Final Dividend)	19 September, 2015	18 September, 2022	9,57,520	19 October, 2022
2015-16 (Final Dividend)	31 August, 2016	30 August, 2023	12,75,700	30 September, 2023
2016-17 (Final Dividend)	31 August, 2017	30 August, 2024	14,55,750	30 September, 2024
2017-18 (Final Dividend)	31 August, 2018	30 August, 2025	16,35,660	30 September, 2025
2018-19 (Final Dividend)	31 August, 2019	30 August, 2026	5,55,840	30 September, 2026

### Transfer to Reserves

The Company proposes to transfer ₹ 1,000 lakhs to the General Reserve out of amount available for appropriations and an amount of ₹ 3985.02 lakhs is proposed to be retained as Surplus.

### Operating Results and Business Operations

During the year ended 31<sup>st</sup> March, 2020, the Revenue from Operations improved by 18.12 % to ₹ 1428 crores from ₹ 1209 crores, ₹ 219 crores in absolute terms. Increase in the selling price of cattle feed followed by abnormal increase in the ingredient prices prevailing for a period of about one year, contributed much to the spurt in the turnover.

The over-all profit after tax was ₹ 18.05 crores in year 2019-20 compared to ₹ 9.13 crores in the previous year. It is pertinent to note that the profit of ₹ 18.05 crores in year 2019-20 was after posting a loss of nearly ₹ 13 crores in the first quarter of that year. The Earning Per Share also improved from ₹ 29.46 per share in the previous year to ₹ 59.06 in 2019-20.

Compare to year 2018-19, the year to year average cattle feed raw material price had increased by around 21% and the year to year average selling price of feed had increased by 22%. From September, 2018 the monthly average cattle feed ingredient cost increased steadily until August, 2019 and was more or less steady thereafter. The sales volume of feed has been maintained at more or less at the same levels at 5.57 lakhs tons in year 2019-20 as against 5.60 lakhs tons in year 2018-19, despite the fact that the first phase of lock down of the Country started in March, 2020. From August, 2019 the ingredient prices stabilized and was more or less steady for rest of the year and by the time the selling price of feed was also adjusted in tune thereto and the animal feed division started generating profits. The feed division generated a profit of ₹ 28.84 crores compared to previous year loss of ₹ 1.91 crores.

In the cake processing division, locally available copra cake was scarce in Kerala as well as in Tamil Nadu. We continued to depend on the imported copra cake for our processing during the year 2019-20 also. In year 2019-20 copra cake processed was 1.09 lakh tons as against 1.03 lakh tons of copra cake in year 2018-19, registering a volume increase by 5.00 %. The demand for refined oil was low and as a result, the oil produced while processing the cake accumulated in to stock as never before. As a result of this we were compelled to sell raw oil as such at a low price to manage the stock. The selling price of refined oil also went rock bottom level. The monthly average selling price of refined coconut oil has dipped from ₹ 174/kg in April, 2018 to ₹ 116/kg. by March, 2019 and had fallen further to ₹ 112/kg. , which was the main factor in the fall in the profit of cake processing division, even though more quantity of oil was produced and sold compared to previous year. The cake processing division reported a loss of ₹ 3.84 crores as against previous year profit of ₹ 15.79 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. However, on the influx of covid pandemic, all our efforts became futile and 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 2019-20 was 1227 kl as against 1290 kl. in 2018-19 with a resultant fall of about 5% in the volume. The negative publicity against ice cream in the covid scenario was a deterrent in pushing the volume of ice cream in the last quarter of year 2019-20. The Dairy division reported a loss of ₹ 85.38 lakhs in year 2019-20 against the previous year profit of ₹ 63.34 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 stable which helps us to keep the capacity utilisation and maintain the revenue. 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 one lakh 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. As the supply is under strain, the imported copra cake has also become dearer, and the cost of imported cake is also going up coupled with the impact of higher exchange rate for dollar. 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 advent 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, has seriously affected our market for ice cream, but the market for milk remains unaffected. The shops selling the ice cream were under lock-down and 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 catching coronavirus on consumption of cold items. We are still not sure how long the impact of corona virus will continue and hence we see a bleak future for ice cream in the short run. It is also feared that we may have to undertake a relaunch exercise for ice cream on a big budget when the situation is favourable, to restore the brand-image 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 surpass the difficult times in year 2020-2021, of course with 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 2018-19. This Award is being received by the Company for the past 29 years consecutively since the inception of the award.

### **Number of meetings of the Board**

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

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

The period of original appointment of Dr. Jose Paul Thaliyath, Mr. Joseph Xavier, Mrs. Sathi A. Menon and Mr. Paul John, all independent directors, were expiring in September, 2019. Mrs. Sathi A. Menon had informed the Board that she does not wish to continue in the Board as an Independent Director for a second term. Thereupon, in the Annual General Meeting held on 31<sup>st</sup> August, 2019, pursuant to Section 149 read with Schedule-IV, Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Verghese CV (DIN: 00779894), has been appointed as an Independent Director of the Company to hold office for a period of five consecutive years from 25<sup>th</sup> September, 2019 to 24<sup>th</sup> September, 2024. The special resolutions for appointment of Dr. Jose Paul Thaliyath, Mr. Joseph Xavier and Mr. Paul John as independent directors for a second term of five years moved in the annual general meeting held on 31<sup>st</sup> August, 2019 could not be passed as the votes cast in favour of the said resolutions fell short of the requisite majority.

Pursuant to Section 149 read with Schedule-IV, Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board decided to fill up the intermittent vacancy of the Independent Directors, on the recommendation of Nomination and Remuneration Committee, in their respective meetings held on 24.09.2019, by appointing Mrs. Nina Paul (DIN: 08576074) as an Independent Director of the Company to hold office for a period of three consecutive years from 01.10.2019 to 30.09.2022. Further, Board decided to fill up the intermittent vacancy of the Independent Directors, on the recommendation of Nomination and Remuneration Committee, in their respective meetings held on 24.10.2019, by appointing Mr. Jose John (DIN: 01797056) and Mr. Paul Jose (DIN: 01616504) as Independent Directors of the Company to hold office for a period of three consecutive years from 01.11.2019 to 31.10.2022. All the three appointments are subject to the approval of the members at the ensuing Annual General Meeting. Accordingly, three Ordinary Resolutions will be moved in the ensuing annual general meeting for the approval of the members for the appointment of Mrs. Nina Paul (DIN: 08576074), Mr. Jose John (DIN: 01797056) and Mr. Paul Jose (DIN: 01616504) as 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.

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 (DIN 01889504), Executive Director with effect from 1<sup>st</sup> October, 2019 for the rest of the current term of his appointment, that is up to 11<sup>th</sup> February, 2021, to ₹ 2,05,000 per month plus other benefits, subject to the approval of the members by Ordinary resolution, based on the recommendation of Nomination and Remuneration Committee, as per the decisions in their respective meetings held on 24<sup>th</sup> September, 2019. Accordingly, an Ordinary Resolution will be moved in the ensuing annual general meeting for the approval of the members on the enhancement of remuneration of Mr. M.P. Jackson (DIN 01889504).

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, Mr. P.D. Anto (DIN : 00106965) and Mrs. Marykutty Varghese (DIN : 07307987) 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 ₹ 15,000 per meeting of the Board and ₹ 10,000 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 31<sup>st</sup> March, 2020. 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, organizational structures, processes, standards, code of conduct and behaviours together govern the business of the Company and manage associated risks.

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

## Vigil Mechanism

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to 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 31<sup>st</sup> March, 2020, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2020 and of the profit of the Company for the financial year ended 31<sup>st</sup> March, 2020;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a ‘going concern’ basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## Corporate Governance

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

## Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee has been formed in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition, terms of reference and attendance details of the CSR Committee are incorporated in the Corporate Governance Report. The Annual Report on CSR activities for the year ended 31<sup>st</sup> March, 2020 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. 32.18 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.

## Extract of annual return

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

## Statutory Auditors

In the 55<sup>th</sup> Annual General Meeting of the Company, pursuant to the provisions of Section 139 (8) of the Companies Act, 2013, M/s. Sridhar & Co. (ICAI Firm Registration No. 003978S), Thiruvananthapuram was appointed as Statutory Auditor of the company, for audit of the accounts for the year 2019-20, in the casual vacancy resulting from the resignation of M/s. S. S. Ayyar & Co., Chartered Accountants, Kottayam (ICAI Firm Registration No. 050012 S) who were the Statutory Auditors of the Company for the audit of accounts relating to the financial years 2017-18 and 2018-19.

The Board has decided to seek the approval for the reappoint of M/s. Sridhar & Co. (ICAI Firm Registration No. 003978S), as the statutory auditors of the company from the conclusion of this annual general meeting until the conclusion of the 61<sup>st</sup> annual general meeting of the Company to be held in the year 2025, for the audit of accounts relating to the years ending 31<sup>st</sup> March, 2021 to 31<sup>st</sup> March, 2025.

M/s. Sridhar & Co. (ICAI Firm Registration No. 003978S) has confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder.

The Auditors’ Report for the financial year 2019-2020 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 31<sup>st</sup> March, 2020.

## 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 2019-20 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 2020-2021. The Remuneration proposed to be paid to the Cost Auditor, subject to ratification by shareholders of the Company at the ensuing 56<sup>th</sup> 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 2020-21, 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., Practising Company Secretary to conduct the Secretarial Audit of your Company for the financial year ended 31<sup>st</sup> March, 2020. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020 is annexed herewith as “Annexure E” 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 2019-20, the Company has not received any complaint on sexual harassment and no complaint remains pending as of 31<sup>st</sup> March, 2020.

## 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 F” 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 G” to this Report.

## Capital Expenditure

The Board has plans to purchase suitable industrial land near Mysore, which if materialised, will likely to 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.

## 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.

## 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, 2020

## “ANNEXURE A” TO BOARD’S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2020

- 1 Brief outline of CSR Policy of KSE Limited The CSR Policy of KSE Limited incorporates the company’s philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility. Under the Policy, the Company is committed to spend in every financial year at least 2% of its average net profits for the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Companies Act, 2013. The CSR Policy of the Company can be accessed in the Company’s website “[www.kselimited.com](http://www.kselimited.com)” under Investor Relations.
- 2 Composition of CSR Committee The Corporate Social Responsibility (CSR) Committee has been formed in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. As on 31<sup>st</sup> March, 2020, there are three members in the Committee. Mr. Paul Francis (DIN 00382797) is 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.
- 3 Average net profit of the Company for the last three financial years ₹ 4814.40 lakhs  
(Average profit for financial years 2016-17, 2017-18 and 2018-19)
- 4 Prescribed CSR Expenditure ₹ 96.29 lakhs (2% of the above)
- 5 Details of CSR spent during the financial year
- (a) Total amount to be spent ₹ 96.29 lakhs
- (b) Amount unspent Nil (Total amount spent under CSR for the financial year 2019- 2020 is ₹ 98.17 lakhs)
- (c) Manner in which the amount was spent

Sl. No.	CSR activity identified	Sector in which the activity is covered	Area/locality where the project is undertaken	Amount outlay (₹ in lakhs) (on each program)	Amount spent (₹ in lakhs) (direct expenditure on each program)	Cumulative Expenditure upto reporting period (₹ in lakhs)	Amount Spent: Direct or through implementing agency
1	CCTV Camera system - Educating the Masses and Promotion of Road Safety awareness in all facets of road usage	Promotion of education [Schedule VII (ii)]	Local Area Irinjalakuda Police Station area	22.00	22.47	22.47	Direct
2	Setting up of indoor volleyball court for Christ College, Irinjalakuda	Promotion of education and sports [Schedule VII (ii) & (vii)]	Local Area Irinjalakuda	21.00	21.83	21.83	Direct
3	Assistance to improve need based farm facilities of dairy farmers (65 farmers benefited)	Promotion of Animal Welfare [Schedule VII (iv)]	Kerala	15.00	16.93	16.93	Direct

Sl. No.	CSR activity identified	Sector in which the activity is covered	Area/locality where the project is undertaken	Amount outlay (₹ in lakhs) (on each program)	Amount spent (₹ in lakhs) (direct expenditure on each program)	Cumulative Expenditure upto reporting period (₹ in lakhs)	Amount Spent: Direct or through implementing agency
4	Waste water treatment systems for Pratheeksha training centre, Irinjalakuda	Promotion of Health Care [Schedule VII (i) & (iv)]	Local Area Irinjalakuda	10.00	10.35	10.35	Direct
5	Electric solar plant to House of providence, Irinjalakuda	Facilities for inmates of old age home [Schedule VII (iii)]	Local Area Irinjalakuda	8.80	6.73	6.73	Direct
6	Vehicle for transportation of patients for physio therapy to Alpha Palliative link centre, Irinjalakuda	Promotion of Health Care [Schedule VII (i)]	Local Area Irinjalakuda	6.02	5.74	5.74	Direct
7	Hemodialysis machine to St. Thomas cathedral Ruby Jubilee Memorial Dialysis Unit, Irinjalakuda	Promotion of Health Care [Schedule VII (i)]	Local Area Irinjalakuda	5.80	5.60	5.60	Direct
8	Computer aided teaching equipments to Lisieux Convent ITE, Irinjalakuda	Promotion of education [Schedule VII (ii)]	Local Area Irinjalakuda	3.00	2.95	2.95	Direct
9	Computer aided teaching equipments to St. Mary's L.P. School, Edakulam	Promotion of education [Schedule VII (ii)]	Local Area Irinjalakuda	1.95	1.95	1.95	Direct
10	RO + UV Plant for drinking water to St. Aloysius School, Athirampuzha, Kottayam	Providing safe drinking water and Promotion of education [Schedule VII (i) & (ii)]	Local Area near to Vedagiri Unit	1.80	2.12	2.12	Direct
11	Upkeep of the School Building of Ukken Memorial L.P. School, Pullur, Irinjalakuda	Promotion of education [Schedule VII (ii)]	Local Area Irinjalakuda	1.50	1.50	1.50	Direct

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

For KSE Limited

Sd/-

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

For KSE Limited

Sd/-

Mr. Paul Francis, Director  
 (DIN 00382797)  
 (Chairman, CSR Committee)

Place : Irinjalakuda  
 Date : 30.06.2020

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

(a)	Deposits accepted during the year	₹ 457.12 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 arms’ length transactions under third proviso thereto**

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

By Order of the Board

Sd/-

**Mr. Jose John**

(DIN : 01797056)

Chairman

Irinjalakuda  
June 30, 2020



**“ANNEXURE D” TO BOARD’S REPORT  
FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L15331KL1963PLC002028
2.	Registration Date	25/09/1963
3.	Name of the Company	KSE LIMITED
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	KSE LIMITED P.B. NO. 20, Solvent Road, Irinjalakuda, Thrissur India – 680121, Telephone – 0480 2825476 Fax – 0480 2826075, Email – ksekerala@gmail.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. S.K.D.C. Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore – 641006 Telephone – 0422 4958995, 2539835-836 Fax – 0422 2539837, Email – info@skdc-consultants.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cattle feed	10801 – Manufacture of cattle Feeds	88.50 %
2	Extraction of vegetable oil and meal from copra cake	10402, 10406 – Manufacture of vegetable oils and meals	9.10 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl.No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
There are no Holding, Subsidiary or Associate Companies as on 31.03.2020					

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

**A. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	784437	35830	820267	25.633	806232	13030	819262	25.602	-0.031
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>784437</b>	<b>35830</b>	<b>820267</b>	<b>25.633</b>	<b>806232</b>	<b>13030</b>	<b>819262</b>	<b>25.602</b>	<b>-0.031</b>
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>784437</b>	<b>35830</b>	<b>820267</b>	<b>25.633</b>	<b>806232</b>	<b>13030</b>	<b>819262</b>	<b>25.602</b>	<b>-0.031</b>
<b>B. Public Shareholding</b>									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	8	0	8	0.000	0.000
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign portfolio investment corporates	3365	0	3365	0.105	3365	0	3365	0.105	0.000
<b>Sub-total (B)(1):-</b>	<b>3365</b>	<b>0</b>	<b>3365</b>	<b>0.105</b>	<b>3373</b>	<b>0</b>	<b>3373</b>	<b>0.105</b>	<b>0.000</b>
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	667653	2800	670453	20.952	706598	2400	708998	22.156	1.204
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹1 lakh	844365	353548	1197913	37.435	1069217	300715	1369932	42.811	5.376
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	291349	0	291349	9.104	127843	0	127843	3.995	-5.109
c) Others (specify)									
Non Resident Indians	57989	0	57989	1.812	61935	0	61935	1.935	0.123
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Directors and Relatives	103325	7000	110235	3.445	60866	0	60866	1.902	-1.543
Clearing Members	9369	0	9369	0.293	8920	0	8920	0.279	-0.014
Hindu Undivided Families	13477	0	13477	0.421	13068	0	13068	0.408	-0.013
Trusts	1883	0	1883	0.059	1883	0	1883	0.059	0.000
IEPF	23700	0	23700	0.741	23920	0	23920	0.748	0.007

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2013020</b>	<b>363348</b>	<b>2376368</b>	<b>74.262</b>	<b>2074250</b>	<b>303115</b>	<b>2377365</b>	<b>74.293</b>	<b>0.031</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2016385</b>	<b>363348</b>	<b>2379733</b>	<b>74.367</b>	<b>2077623</b>	<b>303115</b>	<b>2380738</b>	<b>74.398</b>	<b>0.031</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2800822</b>	<b>399178</b>	<b>3200000</b>	<b>100.000</b>	<b>2883855</b>	<b>316145</b>	<b>3200000</b>	<b>100.000</b>	<b>0.000</b>

## B. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	GEORGE A P	50204	1.569		50597	1.581		0.012
2	JACKSON M P	43838	1.370		44838	1.401		0.031
3	THRESIAMMA GEORGE	32620	1.019		32620	1.019		
4	T R VENUGOPAL	27325	0.854		27325	0.854		
5	T. R. VIJAYAKUMAR	25792	0.806		25792	0.806		
6	T.R. RAGULAL	29208	0.913		24208	0.756		-0.157
7	PAUL FRANCIS	23600	0.738		23701	0.741		0.003
8	K.C. PYARELAL	20847	0.651		22661	0.708		0.057
9	USHA HEMACHANDRAN	22320	0.698		22320	0.698		
10	LATHIKA C M	21997	0.687		21997	0.687		
11	REENA GIGI	21200	0.662		21200	0.662		
12	MOLLY TOMY	21200	0.662		21200	0.662		
13	ESTA JACKSON	21100	0.659		21100	0.659		
14	PUSHPAM BRIGHT	21100	0.659		21100	0.659		
15	GAYATHRI VIJAYARAGHAVAN	20924	0.654		20924	0.654		
16	SIDDHARTH VIJAYARAGHAVAN	20216	0.632		20236	0.632		0.000
17	JOHN FRANCIS	18120	0.566		18120	0.566		
18	SUNNY FRANCIS	17530	0.548		18114	0.566		0.018
19	THIMATHEWS P. T.	20200	0.631		17993	0.562		-0.069
20	MERCY BASTIAN	16600	0.519		17800	0.556		0.037
21	SUJA JOHNSON	17100	0.534		17100	0.534		
22	SONIA SUNNY	14410	0.450		14410	0.450		
23	BEENA KAILASHNATHAN	13700	0.428		13700	0.428		
24	SINI R. SANTOSH	13700	0.428		13700	0.428		
25	SHEELA RAJIVEN	13700	0.428		13700	0.428		
26	JOHNSON P D	13900	0.434		12912	0.404		-0.030
27	PRAKASAN K C	12660	0.396		12660	0.396		
28	RITHAMMA M V	12600	0.394		12600	0.394		
29	BEENA JOHN	12260	0.383		12260	0.383		
30	VASUDEVAN K C	12260	0.383		12260	0.383		

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
31	DAISY JOSE	11745	0.367		11628	0.363		-0.004
32	DONY A. G.	11583	0.362		11584	0.362		0.000
33	ANTO P D	10300	0.322		11050	0.345		0.023
34	ANTONY A G	10400	0.325		10600	0.331		0.006
35	SUSAN FRANCIS	10600	0.331		10600	0.331		
36	MARIAMMA ANTO	10500	0.328		10500	0.328		
37	MARYKUTTY VARGHESE	10098	0.316		10113	0.316		0.000
38	ALICE G VELLANIKARAN	8700	0.272		8700	0.272		
39	A G REENA	8000	0.250		8000	0.250		
40	SAWMIYA GINO	7080	0.221		7080	0.221		
41	REENA JOJY	7000	0.219		7000	0.219		
42	M P GIGI	6700	0.209		6700	0.209		
43	TOMY M P	6600	0.206		6600	0.206		
44	M P BRIGHT	6500	0.203		6500	0.203		
45	A P PAUL	5478	0.171		5478	0.171		
46	DANESA RAGHULAL				5000	0.156		0.156
47	SURESH JOSE	4400	0.138		4400	0.138		
48	ANU VIJU KOITHARA	4400	0.138		4400	0.138		
49	BINU FIJU	4400	0.138		4400	0.138		
50	ROSE VARGHESE	4003	0.125		4003	0.125		
51	USHA FRANCIS	3900	0.122		3900	0.122		
52	MARINA VINCENT	2880	0.090		2994	0.094		0.004
53	TEENA PRINCE	2515	0.079		2515	0.079		
54	PRINCE PANIKULAM	3800	0.119		2500	0.078		-0.041
55	TESSY GEORGE	2400	0.075		2400	0.075		
56	SUMY PAUL	2170	0.068		2170	0.068		
57	SHINY FRANCIS	2113	0.066		2113	0.066		
58	LEERA JEEJO	1960	0.061		1960	0.061		
59	MEERA PYARELAL	1913	0.060		1913	0.060		
60	SUNIL KUMAR K C	1880	0.059		1880	0.059		
61	ROSY THOMAS	1600	0.050		1600	0.050		
62	SEEMA SURESH	1600	0.050		1600	0.050		
63	JOJY THOMAS K	1600	0.050		1600	0.050		
64	HONEY ROY	1300	0.041		1300	0.041		
65	VINCENT P D	1093	0.034		1093	0.034		
66	GEORGE THERATTIL	900	0.028		900	0.028		
67	RIYA PRINCE				500	0.016		0.016
68	FRANCIS ALAPPAT	500	0.016		500	0.016		
69	SHYAMA PRAKASAN	500	0.016		500	0.016		
70	SALLY PAUL	400	0.013		400	0.013		
71	ELIKUTTY CHAKKUNNY	400	0.013		400	0.013		
72	ANISH P ANTO	900	0.028		200	0.006		-0.022

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
73	LATHA VENUGOPAL	200	0.006		200	0.006		
74	ALLU P ANTO	200	0.006		200	0.006		
75	SARIGA RAGHULAL	200	0.006		200	0.006		
76	P D GEORGE	100	0.003		100	0.003		
77	ANIL KUMAR K C	90	0.003		90	0.003		
78	ALPHO VARGHESE	235	0.007		50	0.002		-0.005
79	BASTIAN DEVASSY	1200	0.037					-0.037
80	ANNIE PAUL	1000	0.031					-0.031
		<b>820267</b>	<b>25.633</b>	<b>0.000</b>	<b>819262</b>	<b>25.600</b>	<b>0.000</b>	<b>-0.033</b>

### C. Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>820267</b>	<b>25.633</b>		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	#		#	
	At the end of the year	<b>819262</b>	<b>25.600</b>		

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

### INCREASE/DECREASE IN PROMOTERS' SHAREHOLDING

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
1	GEORGE A P	50204	1.569	01/04/2019			50204	1.569
				28/06/2019	78	Transfer	50282	1.571
				05/07/2019	22	Transfer	50304	1.572
				27/09/2019	41	Transfer	50345	1.573
				04/10/2019	52	Transfer	50397	1.575
				20/03/2020	190	Transfer	50587	1.581
				27/03/2020	10	Transfer	50597	1.581
		50597	1.581	31/03/2020			50597	1.581

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
2	JACKSON M P	43838	1.370	01/04/2019			43838	1.370
				28/06/2019	1000	Transfer	44838	1.401
		44838	1.401	31/03/2020			44838	1.401
3	T. R. RAGULAL	29208	0.913	01/04/2019			29208	0.913
				21/06/2019	-5000	Transfer	24208	0.756
		24208	0.756	31/03/2020			24208	0.756
4	PAUL FRANCIS	23600	0.738	01/04/2019			23600	0.738
				29/11/2019	25	Transfer	23625	0.738
				06/12/2019	25	Transfer	23650	0.739
				20/12/2019	51	Transfer	23701	0.741
		23701	0.741	31/03/2020			23701	0.741
5	K.C. PYARELAL	20847	0.651	01/04/2019			20847	0.651
				13/09/2019	388	Transfer	21235	0.664
				20/09/2019	225	Transfer	21460	0.671
				04/10/2019	425	Transfer	21885	0.684
				25/10/2019	571	Transfer	22456	0.702
				01/11/2019	205	Transfer	22661	0.708
		22661	0.708	31/03/2020			22661	0.708
6	SIDDHARTH VIJAYARAGHAVAN	20216	0.632	01/04/2019			20216	0.632
				19/04/2019	20	Transfer	20236	0.632
		20236	0.632	31/03/2020			20236	0.632
7	SUNNY FRANCIS	17530	0.548	01/04/2019			17530	0.548
				10/05/2019	145	Transfer	17675	0.552
				20/03/2020	135	Transfer	17810	0.557
				27/03/2020	133	Transfer	17943	0.561
		18114	0.566	31/03/2020	171	Transfer	18114	0.566

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
8	THIMATHEWS P. T.	20200	0.631	01/04/2019			20200	0.631
				31/05/2019	-112	Transfer	20088	0.628
				13/09/2019	-119	Transfer	19969	0.624
				27/09/2019	-80	Transfer	19889	0.622
				11/10/2019	-200	Transfer	19689	0.615
				25/10/2019	-500	Transfer	19189	0.600
				01/11/2019	-100	Transfer	19089	0.597
				22/11/2019	-200	Transfer	18889	0.590
				06/12/2019	-200	Transfer	18689	0.584
				13/12/2019	-200	Transfer	18489	0.578
				20/12/2019	-200	Transfer	18289	0.572
				17/01/2020	-200	Transfer	18089	0.565
				31/01/2020	-6	Transfer	18083	0.565
				07/02/2020	-90	Transfer	17993	0.562
		17993	0.562	31/03/2020			17993	0.562
9	MERCY BASTIAN	16600	0.519	01/04/2019			16600	0.519
				17/01/2020	1200	Transfer	17800	0.556
		17800	0.556	31/03/2020			17800	0.556
10	JOHNSON P D	13900	0.434	01/04/2019			13900	0.434
				14/06/2019	-489	Transfer	13411	0.419
				21/06/2019	-510	Transfer	12901	0.403
				29/11/2019	-960	Transfer	11941	0.373
				06/12/2019	198	Transfer	12139	0.379
				13/12/2019	284	Transfer	12423	0.388
				20/12/2019	198	Transfer	12621	0.394
				27/12/2019	291	Transfer	12912	0.404
				12912	0.404	31/03/2020		
11	DAISY JOSE	11745	0.367	01/04/2019			11745	0.367
				21/02/2020	-45	Transfer	11700	0.366
				27/03/2020	-50	Transfer	11650	0.364
		11628	0.363	31/03/2020	-22	Transfer	11628	0.363

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
12	DONY A G	11583	0.362	01/04/2019			11583	0.362
				24/05/2019	-2	Transfer	11581	0.362
				06/09/2019	1	Transfer	11582	0.362
				24/01/2020	-1	Transfer	11581	0.362
				13/03/2020	1	Transfer	11582	0.362
				20/03/2020	1	Transfer	11583	0.362
				27/03/2020	1	Transfer	11584	0.362
		11584	0.362	31/03/2020			11584	0.362
13	ANTO P D	10300	0.322	01/04/2019			10300	0.322
				05/04/2019	50	Transfer	10350	0.323
				07/02/2020	700	Transfer	11050	0.345
		11050	0.345	31/03/2020			11050	0.345
14	ANTONY A G	10400	0.325	01/04/2019			10400	0.325
				19/07/2019	186	Transfer	10586	0.331
				26/07/2019	14	Transfer	10600	0.331
		10600	0.331	31/03/2020			10600	0.331
15	MARYKUTTY VARGHESE	10098	0.316	01/04/2019			10098	0.316
				20/09/2019	5	Transfer	10103	0.316
				06/12/2019	10	Transfer	10113	0.316
		10113	0.316	31/03/2020			10113	0.316
16	DANESA RAGHULAL	0	0.000	01/04/2019			0	0.000
				21/06/2019	5000	Transfer	5000	0.156
		5000	0.156	31/03/2020			5000	0.156
17	MARINA VINCENT	2880	0.090	01/04/2019			2880	0.090
				14/06/2019	114	Transfer	2994	0.094
		2994	0.094	31/03/2020			2994	0.094
18	PRINCE PANIKULAM	3800	0.119	01/04/2019			3800	0.119
				19/07/2019	-800	Transfer	3000	0.094
				15/11/2019	-500	Transfer	2500	0.078
		2500	0.078	31/03/2020			2500	0.078
19	RIYA PRINCE	0	0.000	01/04/2019			0	0.000
				15/11/2019	500	Transfer	500	0.016
		500	0.016	31/03/2020			500	0.016



Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
20	ANISH P ANTO	900	0.028	01/04/2019			900	0.028
				07/02/2020	-700	Transfer	200	0.006
		200	0.006	31/03/2020			200	0.006
21	ALPHO VARGHESE	235	0.007	01/04/2019	0	Transfer	235	0.007
				05/04/2019	10	Transfer	245	0.008
				10/05/2019	10	Transfer	255	0.008
				14/06/2019	20	Transfer	275	0.009
				21/06/2019	16	Transfer	291	0.009
				28/06/2019	9	Transfer	300	0.009
				05/07/2019	10	Transfer	310	0.010
				19/07/2019	1	Transfer	311	0.010
				26/07/2019	29	Transfer	340	0.011
				09/08/2019	16	Transfer	356	0.011
				16/08/2019	34	Transfer	390	0.012
				18/10/2019	10	Transfer	400	0.013
				01/11/2019	5	Transfer	405	0.013
				08/11/2019	5	Transfer	410	0.013
				29/11/2019	10	Transfer	420	0.013
				13/12/2019	5	Transfer	425	0.013
				03/01/2020	15	Transfer	440	0.014
				17/01/2020	10	Transfer	450	0.014
				24/01/2020	20	Transfer	470	0.015
				31/01/2020	-234	Transfer	236	0.007
		07/02/2020	-186	Transfer	50	0.002		
		21/02/2020	-40	Transfer	10	0.000		
		20/03/2020	6	Transfer	16	0.001		
		27/03/2020	24	Transfer	40	0.001		
		31/03/2020	50	Transfer	50	0.002		
22	BASTIAN DEVASSY	1200	0.037	01/04/2019			1200	0.037
				17/01/2020	-1200	Transfer	0	0.000
		0	0.000	31/03/2020			0	0.000
23	ANNIE PAUL	1000	0.031	01/04/2019			1000	0.031
				28/06/2019	-1000	Transfer	0	0.000
		0	0.000	31/03/2020			0	0.000

**D. Shareholding Pattern of top ten Shareholders:**

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

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
1	PJD PROPERTIES AND INVESTMENTS PRIVATE LIMITED	565400	17.669	01/04/2019			565400	17.669
				05/04/2019	500	Transfer	565900	17.684
				19/04/2019	800	Transfer	566700	17.709
				26/04/2019	50	Transfer	566750	17.711
				03/05/2019	338	Transfer	567088	17.721
				10/05/2019	412	Transfer	567500	17.734
				17/05/2019	1461	Transfer	568961	17.780
				24/05/2019	1126	Transfer	570087	17.815
				31/05/2019	839	Transfer	570926	17.841
				07/06/2019	1500	Transfer	572426	17.888
				14/06/2019	845	Transfer	573271	17.915
				21/06/2019	1892	Transfer	575163	17.974
				28/06/2019	55	Transfer	575218	17.976
				05/07/2019	4	Transfer	575222	17.976
				12/07/2019	581	Transfer	575803	17.994
				26/07/2019	2820	Transfer	578623	18.082
				02/08/2019	620	Transfer	579243	18.101
				09/08/2019	597	Transfer	579840	18.120
				16/08/2019	1651	Transfer	581491	18.172
				23/08/2019	3710	Transfer	585201	18.288
				30/08/2019	2	Transfer	585203	18.288
				06/09/2019	93	Transfer	585296	18.291
				13/09/2019	201	Transfer	585497	18.297
				20/09/2019	173	Transfer	585670	18.302
				27/09/2019	1382	Transfer	587052	18.345
				04/10/2019	405	Transfer	587457	18.358
				11/10/2019	199	Transfer	587656	18.364
				18/10/2019	145	Transfer	587801	18.369
				25/10/2019	400	Transfer	588201	18.381
				01/11/2019	1445	Transfer	589646	18.426
				08/11/2019	1149	Transfer	590795	18.462
				15/11/2019	985	Transfer	591780	18.493
				29/11/2019	1583	Transfer	593363	18.543
		06/12/2019	353	Transfer	593716	18.554		
		13/12/2019	1101	Transfer	594817	18.588		
		20/12/2019	574	Transfer	595391	18.606		
		27/12/2019	119	Transfer	595510	18.610		
		31/12/2019	400	Transfer	595910	18.622		
		03/01/2020	814	Transfer	596724	18.648		
		10/01/2020	920	Transfer	597644	18.676		
		17/01/2020	870	Transfer	598514	18.704		
		24/01/2020	1486	Transfer	600000	18.750		
		27/03/2020	1463	Transfer	601463	18.796		
		601464	18.796	31/03/2020	1	Transfer	601464	18.796

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
2	ENSEMBLE HOLDINGS AND FINANCE LIMITED	65467	2.046	01/04/2019			65467	2.046
		65467	2.046	31/03/2020			65467	2.046
3	NADIR BARJORJI GODREJ	40189	1.256	01/04/2019			40189	1.256
				03/05/2019	26	Transfer	40215	1.257
				31/05/2019	600	Transfer	40815	1.275
				19/07/2019	400	Transfer	41215	1.288
				26/07/2019	1100	Transfer	42315	1.322
				02/08/2019	445	Transfer	42760	1.336
				09/08/2019	87	Transfer	42847	1.339
				16/08/2019	150	Transfer	42997	1.344
				23/08/2019	537	Transfer	43534	1.360
				30/08/2019	410	Transfer	43944	1.373
				43944	1.373	31/03/2020		Transfer
4	DEVIS V I	37895	1.184	01/04/2019			37895	1.184
				05/04/2019	88	Transfer	37983	1.187
				07/06/2019	720	Transfer	38703	1.209
				14/06/2019	135	Transfer	38838	1.214
				28/06/2019	142	Transfer	38980	1.218
				19/07/2019	139	Transfer	39119	1.222
				26/07/2019	1460	Transfer	40579	1.268
				02/08/2019	1	Transfer	40580	1.268
				09/08/2019	-629	Transfer	39951	1.248
				23/08/2019	198	Transfer	40149	1.255
				30/08/2019	25	Transfer	40174	1.255
				06/09/2019	152	Transfer	40326	1.260
				13/09/2019	-437	Transfer	39889	1.247
				20/09/2019	-100	Transfer	39789	1.243
				11/10/2019	5	Transfer	39794	1.244
				18/10/2019	203	Transfer	39997	1.250
				25/10/2019	1	Transfer	39998	1.250
				01/11/2019	14	Transfer	40012	1.250
				08/11/2019	250	Transfer	40262	1.258
		15/11/2019	200	Transfer	40462	1.264		
		29/11/2019	255	Transfer	40717	1.272		
				03/01/2020	347	Transfer	41064	1.283

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
				10/01/2020	195	Transfer	41259	1.289
				17/01/2020	239	Transfer	41498	1.297
				24/01/2020	-1048	Transfer	40450	1.264
				07/02/2020	699	Transfer	41149	1.286
				21/02/2020	330	Transfer	41479	1.296
				28/02/2020	303	Transfer	41782	1.306
				06/03/2020	815	Transfer	42597	1.331
				13/03/2020	632	Transfer	43229	1.351
				20/03/2020	322	Transfer	43551	1.361
				27/03/2020	268	Transfer	43819	1.369
		40417	1.263	31/03/2020	-3402	Transfer	40417	1.263
5	HORMAZD NADIR GODREJ	24391	0.762	01/04/2019			24391	0.762
				05/04/2019	-182	Transfer	24209	0.757
				12/04/2019	-150	Transfer	24059	0.752
				19/04/2019	-100	Transfer	23959	0.749
				26/04/2019	-50	Transfer	23909	0.747
				10/05/2019	211	Transfer	24120	0.754
				17/05/2019	163	Transfer	24283	0.759
				24/05/2019	434	Transfer	24717	0.772
				31/05/2019	416	Transfer	25133	0.785
				07/06/2019	490	Transfer	25623	0.801
				14/06/2019	312	Transfer	25935	0.810
				21/06/2019	85	Transfer	26020	0.813
				05/07/2019	100	Transfer	26120	0.816
				12/07/2019	467	Transfer	26587	0.831
				19/07/2019	100	Transfer	26687	0.834
				26/07/2019	243	Transfer	26930	0.842
				02/08/2019	111	Transfer	27041	0.845
		27041	0.845	31/03/2020		Transfer	27041	0.845
6	RADHA ANAND MENON	25526	0.798	01/04/2019			25526	0.798
		25526	0.798	31/03/2020			25526	0.798
7	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	23700	0.741	01/04/2019			23700	0.741
				29/11/2019	800	Transfer	24500	0.766
				14/02/2020	-480	Transfer	24020	0.751
				06/03/2020	-100	Transfer	23920	0.748
		23920	0.748	31/03/2020			23920	0.748

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
8	JOSE PAUL THALIYATH	30017	0.938	01/04/2019			30017	0.938
				21/06/2019	1315	Transfer	31332	0.979
		31332	0.979	31/03/2020			31332	0.979
9	MARY JOSE K.	18520	0.579	01/04/2019		Nil movement during the year	18520	0.579
		18520	0.579	31/03/2020			18520	0.579
10	JAGDISHWAR T TOPPO	18063	0.564	01/04/2019			18063	0.564
				26/07/2019	50	Transfer	18113	0.208
				01/11/2019	10	Transfer	18123	0.208
		18123	0.208	31/03/2020		Transfer	18123	0.208

#### E. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
<b>A DIRECTORS :</b>								
1	George A P (DIN 00106808) Managing Director	50204	1.569	01/04/2019			50204	1.569
				28/06/2019	78	Transfer	50282	1.571
				05/07/2019	22	Transfer	50304	1.572
				27/09/2019	41	Transfer	50345	1.573
				04/10/2019	52	Transfer	50397	1.575
				20/03/2020	190	Transfer	50587	1.581
				27/03/2020	10	Transfer	50597	1.581
		50597	1.581	31/03/2020			50597	1.581
2	Jackson M P (DIN 01889504) Executive Director	43838	1.370	01/04/2019			43838	1.370
				28/06/2019	1000	Transfer	44838	1.401
		44838	1.401	31/03/2020			44838	1.401
3	P D Anto (DIN 00106965) Non- Executive Director	10300	0.322	01/04/2019			10300	0.322
				05/04/2019	50	Transfer	10350	0.323
				07/02/2020	700	Transfer	11050	0.345
		11050	0.345	31/03/2020			11050	0.345

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
4	Paul Francis (DIN 00382797) Non-Executive Director	23600	0.738	01/04/2019			23600	0.738
				29/11/2019	25	Transfer	23625	0.738
				06/12/2019	25	Transfer	23650	0.739
				20/12/2019	51	Transfer	23701	0.741
		23701	0.741	31/03/2020			23701	0.741
5	K.C. Pyarelal (DIN 00923913) Non-Executive Director	20847	0.651	01/04/2019			20847	0.651
				13/09/2019	388	Transfer	21235	0.664
				20/09/2019	225	Transfer	21460	0.671
				04/10/2019	425	Transfer	21885	0.684
				25/10/2019	571	Transfer	22456	0.702
				01/11/2019	205	Transfer	22661	0.708
		22661	0.708	31/03/2020			22661	0.708
6	Marykutty Varghese (DIN 07307987) Non- Executive Director	10098	0.316	01/04/2019			10098	0.316
				20/09/2019	5	Transfer	10103	0.316
				06/12/2019	10	Transfer	10113	0.316
		10113	0.316	31/03/2020			10113	0.316
7	Danasa Raghulal (DIN 07975553) Non-Executive Director	0	0.000	01/04/2019			0	0.000
				21/06/2019	5000	Transfer	5000	0.156
		5000	0.156	31/03/2020			5000	0.156
8	Verghese C.V. (DIN 00779894) Independent Non- Executive Director (from 25-09-2019)	0	0	01/04/2019		Nil holding/ movement during the year	0	0
		0	0	31/03/2020			0	0
9	Jose John (DIN 01797056) Independent Non- Executive Director (from 01-11-2019)	0	0	01/04/2019		Nil holding/ movement during the year	0	0
		0	0	31/03/2020			0	0
10	Nina Paul (DIN 08576074) Independent Non- Executive Director (from 01-10-2019)	21725	0.679	01/04/2019			21725	0.679
				21/06/2019	-398	Transfer	21327	0.666
		21327	0.666	31/03/2020			21327	0.666

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No of shares at the beginning (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No of shares	% of total shares of the Company
11	Paul Jose (DIN 01616504) Independent Non- Executive Director (from 01-11-2019)	0	0.000	01/04/2019			0	0.000
				04/10/2019	80	Transfer	80	0.003
				11/10/2019	159	Transfer	239	0.007
				18/10/2019	235	Transfer	474	0.015
				25/10/2019	3	Transfer	477	0.015
				03/01/2020	152	Transfer	629	0.020
				28/02/2020	140	Transfer	769	0.024
				20/03/2020	200	Transfer	969	0.030
		969	0.030	31/03/2020			969	0.030
12	Dr Jose Paul Thaliyath (DIN 01773031) Independent Non- Executive Director (upto 24-09-2019)	30017	0.938	01/04/2019			30017	0.938
				21/06/2019	1315	Transfer	31332	0.979
		31332	0.979	31/03/2020			31332	0.979
13	Joseph Xavier (DIN 02943750) Independent Non- Executive Director (upto 24-09-2019)	18107	0.566	01/04/2019		Nil movement during the year	18107	0.566
		18107	0.566	31/03/2020			18107	0.566
14	Paul John (DIN 00601440) Independent Non- Executive Director (upto 25-09-2019)	4400	0.137	01/04/2019			4400	0.138
				05/04/2019	400	Transfer	4800	0.150
				12/04/2019	100	Transfer	4900	0.153
		4900	0.153	31/03/2020			4900	0.153
15	Sathi A Menon (DIN 06931857) Independent Non- Executive Director (upto 24-09-2019)	0	0	01/04/2019		Nil holding/ movement during the year	0	0
		0	0	31/03/2020			0	0
<b>B KEY MANAGERIAL PERSONS :</b>								
1	R. Sankaranarayanan CFO & Company Secretary	2429	0.076	01/04/2019			2429	0.076
				13/03/2020	150	Transfer	2579	0.081
				20/03/2020	42	Transfer	2621	0.082
		2621	0.082	31/03/2020			2621	0.082

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Fixed Deposits accepted (Unsecured)	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2019)</b>				
i) Principal Amount	3,296.54		990.46	4,287.00
ii) Interest due but not paid				
iii) Interest accrued but not due			90.38	90.38
<b>Total (i+ii+iii)</b>	<b>3,296.54</b>		<b>1,080.84</b>	<b>4,377.38</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition			457.12	457.12
• Reduction	# 2,953.83		299.82	3,253.65
<b>Net Change</b>	<b>(2,953.83)</b>		<b>157.30</b>	<b>(2,796.53)</b>
<b>Indebtedness at the end of the financial year (31.03.2020)</b>				
i) Principal Amount	342.71		1,147.76	1,490.47
ii) Interest due but not paid				
iii) Interest accrued but not due			107.81	107.81
<b>Total (i+ii+iii)</b>	<b>342.71</b>		<b>1,255.57</b>	<b>1,598.28</b>

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		A P George Managing Director	M P Jackson Executive Director	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	41.04	26.10	67.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.22	6.15	7.37
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others			
	Leave Travel Allowance			
	Employer Contribution to Provident Fund	4.10	2.61	6.71
	Provision for Gratuity			
	<b>Total (A)</b>	<b>46.36</b>	<b>34.86</b>	<b>81.22</b>
	Ceiling as per the Act	₹ 254.92 lakhs (being 10% of net profits of the Company calculated as per Section 197 (1) read with Section 198 of the Companies Act, 2013)		



## B. Remuneration to other directors

(₹ in lakhs)

1 Independent Directors									
Particulars of Remuneration	Name of Directors								Total Amount
	Jose Paul Thaliyath (upto 24.09.2019)	Joseph Xavier (upto 24.09.2019)	Sathi A Menon (upto 24.09.2019)	Paul John (upto 25.09.2019)	Jose John (from 01.11.2019)	Verghese C.V. (from 25.09.2019)	Nina Paul (from 01.10.2019)	Paul Jose (from 01.11.2019)	
Fee for attending board and committee meetings	2.10	1.70	1.35	1.40	1.15	1.40	1.30	0.85	11.25
Commission									
Others, please specify									
<b>Total (1)</b>	<b>2.10</b>	<b>1.70</b>	<b>1.35</b>	<b>1.40</b>	<b>1.15</b>	<b>1.40</b>	<b>1.30</b>	<b>0.85</b>	<b>11.25</b>

2 Other Non-Executive Directors						
Particulars of Remuneration	Name of Directors					Total Amount
	P D Anto	Paul Francis	Marykutty Varghese	Danesa Raghulal	K.C. Pyarelal	
Fee for attending board and committee meetings	3.70	3.05	2.05	1.90	1.85	12.55
Commission						
Others						
<b>Total (2)</b>	<b>1.80</b>	<b>1.65</b>	<b>1.65</b>	<b>1.50</b>	<b>1.65</b>	<b>12.55</b>
<b>Total (B)=(1+2)</b>						<b>23.80</b>
Total Managerial Remuneration (A) + (B)	₹ 105.02 lakhs (Including sitting fee of ₹ 23.80 lakhs paid to Non-executive Directors to be excluded for the purpose of overall ceiling as per the Act)					
Overall Ceiling as per the Act	₹ 280.41 lakhs (being 11% of the net profits of the Company calculated as per Section 197 (1) read with Section 198 of the Companies Act, 2013)					

## C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		R. Sankaranarayanan CFO & Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	46.02
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.66
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	- Others, specify...	
5	Others - Employer Contribution to Provident Fund	4.32
	Total	52.00

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

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

## “ANNEXURE E” TO BOARD’S REPORT

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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

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

FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s KSE LIMITED for the financial year ended on 31<sup>st</sup> March 2020 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:
- a) maintenance of various statutory registers and documents and making necessary entries therein;
  - b) closure of the Register of Members;
  - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - e) notice of Board meetings and Committee meetings of Directors;
  - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - g) the 55<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> August, 2019;
  - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - j) payment of remuneration to Directors, including the Managing Director;
  - k) appointment and remuneration of Auditors and Cost Auditors;
  - l) transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
  - m) declaration and payment of dividend;
  - n) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
  - o) 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;
  - p) borrowings and registration, modification and satisfaction of charges wherever applicable;
  - q) investment of the Company's funds including inter-corporate loans and investments and loans to others;
  - r) 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;
  - s) preparation of Board's Report;
  - t) execution of contracts, affixing of common seal, registered office and publication of name of the company; and
  - u) generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:-
- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - b) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/ directorships in other companies and interests in other entities.
  - c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - d) Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.
  - e) The company has obtained all necessary approvals under the various provisions of the Act.
4. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and that during the audit period, there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Sd/-  
SATHISH V

Practicing Company Secretary

FCS 8005; CP 8343  
UDIN : F008005B000404821

Place : Cochin  
Date : 30.06.2020

**“ANNEXURE F” 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 2019-2020 is as follows:**

Sl. No.	Name of Director	Total Remuneration (₹ in lakhs)	Ratio of remuneration of director to the Median remuneration
<b>Non- executive Directors</b>			
1	Mr. P.D. Anto	3.70	0.96
2	Mr. Paul Francis	3.05	0.79
3	Dr. K.C. Pyarelal	1.85	0.48
4	Mrs. Marykutty Varghese	2.05	0.53
5	Ms. Danesa Raghulal	1.90	0.49
6	Mr. Jose John	1.15	0.30
7	Mr. Verghese C.V.	1.40	0.36
8	Mr. Paul Jose	0.85	0.22
9	Mrs. Nina Paul	1.30	0.34
10	Dr. Jose Paul Thaliyath	2.10	0.55
11	Mr. Joseph Xavier	1.70	0.44
12	Mrs. Sathi A. Menon	1.35	0.35
13	Mr. Paul John	1.40	0.36
<b>Executive Directors</b>			
14	A.P. George	46.36	12.07
15	M.P. Jackson	34.86	9.08

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

**B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2019-2020 are as follows:**

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2019-2020	2018-2019	
1	Mr. A.P. George	Managing Director	46.36	40.71	13.88
2	Mr. M.P. Jackson	Executive Director	34.86	23.92	45.74
3	Mr. P.D. Anto	Non- executive Director	3.70	4.00	-7.50
4	Mr. Paul Francis	Non- executive Director	3.05	3.70	-17.57
5	Dr. K.C. Pyarelal	Non- executive Director	1.85	0.90	--
6	Mrs. Marykutty Varghese	Non- executive Director	2.05	1.90	7.89
7	Ms. Danesa Raghulal	Non- executive Director	1.90	1.25	--
8	Mr. Jose John	Non- executive and Independent Director	1.15	--	--
9	Mr. Verghese C.V.	Non- executive and Independent Director	1.40	--	--
10	Mr. Paul Jose	Non- executive and Independent Director	0.85	--	--
11	Mrs. Nina Paul	Non- executive and Independent Director	1.30	--	--
12	Dr. Jose Paul Thaliyath	Non- executive and Independent Director	2.10	4.10	--
13	Mr. Joseph Xavier	Non- executive and Independent Director	1.70	2.70	--
14	Mrs. Sathi A. Menon	Non- executive and Independent Director	1.35	2.60	--
15	Mr. Paul John	Non- executive and Independent Director	1.40	2.35	--
16	R. Sankaranarayanan	CFO and Company Secretary	52.00	76.22	-31.78

- 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.
  2. Mr. Verghese CV was appointed in the AGM held on 31<sup>st</sup> August, 2019, effective from 25<sup>th</sup> September, 2019.
  3. To fill up the intermittent vacancy, Board has appointed Mrs. Nina Paul effective from 1<sup>st</sup> October, 2019 and Mr. Jose John and Mr. Paul Jose effective from 1<sup>st</sup> November, 2019 for which resolutions are moved for the approval of members in the ensuing annual general meeting.
  4. The remuneration of Mr. M.P. Jackson has been enhanced by the Board from 1<sup>st</sup> October, 2019, for which approval of members is sought in the ensuing annual general meeting.
  5. Ms. Danesa Raghulal and Dr. K.C. Pyarelal were appointed as Directors of the Company effective from 31-08-2018 and hence their remuneration (sitting fees) for the previous year are not comparable with that of current year.
  6. Decrease in the remuneration of Chief Financial Officer and Company Secretary as shown above was due to payment of retirement benefits in 2018-19 on his retirement from regular services.

**C. The percentage increase in the median remuneration of employees in the financial year: 7.82 %.**

**D. The number of permanent employees on the rolls of Company: 932 as on 31.03.2020.**

**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 5.07 %. The long term settlements with employees of Irinjalakuda, Koratty, Palakkad have expired in the year 2019-2020. 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.

The remuneration of Mr. M.P. Jackson has been enhanced by the Board from 1<sup>st</sup> October, 2019, for which approval of members is sought in the ensuing annual general meeting.

Decrease in the remuneration of Chief Financial Officer and Company Secretary as shown above was due to payment of retirement benefits in 2018-19 on his retirement from regular services.

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 your Company.

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

**1. List of employees of the Company employed throughout the financial year 2019-2020 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 2019-2020 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 G” 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

	2019-2020 ₹ in lakhs	2018-19 ₹ in lakhs
Foreign Exchange Earnings	0.35	1.77
Foreign Exchange Outgo	14,681.00	8,866.32

## 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 2019-2020, the Board met 12 times on the following dates:

Sl. No.	Date	Sl. No.	Date	Sl. No.	Date	Sl. No.	Date
1	30 <sup>th</sup> April, 2019	4	25 <sup>th</sup> July, 2019	7	24 <sup>th</sup> October, 2019	10	15 <sup>th</sup> January, 2020
2	30 <sup>th</sup> May, 2019	5	14 <sup>th</sup> August, 2019	8	13 <sup>th</sup> November, 2019	11	13 <sup>th</sup> February, 2020
3	27 <sup>th</sup> June, 2019	6	24 <sup>th</sup> September, 2019	9	17 <sup>th</sup> December, 2019	12	24 <sup>th</sup> March, 2020

During the year 2019-20, 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 31.03.2020, number of Board Meetings attended by them during the financial year 2019-20, details as to their attendance in the last AGM, details of other directorships, etc. are given hereunder:

Sl. No.	Name and Designation	Category of Director	No. of shares held	No. of Board Meeting attended	Attendance at last AGM held on 31.08.2019	No. of Other Directorships *		Committee Members	
						Director	Chairman	Member	Chairman
1	Mr. A.P. George (DIN 00106808) Managing Director	Executive	50,597	12	Present	1	---	---	---
2	Mr. M.P. Jackson (DIN 01889504) Executive Director	Executive	44,838	11	Present	---	---	---	---
3	Mr. P.D. Anto (DIN 00106965) Director	Non-Executive	11,050	12	Present	---	---	---	---
4	Mr. Paul Francis (DIN 00382797) Director	Non-Executive	23,701	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 31.08.2019	No. of Other Directorships *		Committee Members	
						Director	Chairman	Member	Chairman
5	Ms.Marykutty Varghese (DIN 07307987) Woman Director	Non-Executive	10,113	11	Present	---	---	---	---
6	Ms. Danesa Raghulal (DIN 07975553) Woman Director	Non-Executive	5,000	10	Present	---	---	---	---
7	Dr. Pyarelal K.C. (DIN 00923913) Director	Non-Executive	22,661	11	Present	---	---	---	---
8	Mr. Jose John, Chairman (DIN 01797056) (from 01.11.2020)	Non-Executive Independent	Nil	5	Not applicable	---	---	---	---
9	Mr. Verghese C.V., Director (DIN 00779894) (from 25.09.2019)	Non-Executive Independent	Nil	6	Not applicable	---	---	---	---
10	Mr. Paul Jose, Director (DIN 01616504) (from 01.11.2019)	Non-Executive Independent	969	5	Not applicable	---	---	---	---
11	Mrs. Nina Paul (DIN 08576074) Woman Director (from 01.10.2019)	Non-Executive Independent	21,327	6	Not applicable	---	---	---	---
12	Dr. Jose Paul Thaliyath Chairman (DIN 01773031) (upto 24.09.2019)	Non-Executive Independent	31,332	6	Present	---	---	---	---
13	Mr. Joseph Xavier Director (DIN 02943750) (upto 24.09.2019)	Non-Executive Independent	18,107	6	Present	---	---	---	---
14	Mrs. Sathi A. Menon Woman Director (DIN 06931857) (upto 24.09.2019)	Non-Executive Independent	Nil	5	Present	---	---	---	---
15	Mr. Paul John Director (DIN 00601440) (upto 25.09.2019)	Non-Executive Independent	4,900	6	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.

- Notes :1. Dr. Jose Paul Thaliyath, Mr. Joseph Xavier, Mrs. Sathi A. Menon and Mr. Paul John, all independent directors, retired from the Board on expiry of their respective term of appointment.
2. Mr. Verghese CV was appointed in the Annual General Meeting held on 31<sup>st</sup> August, 2019.
3. The special resolutions for appointment of Dr. Jose Paul Thaliyath, Mr. Joseph Xavier and Mr. Paul John as independent directors for a second term of five years moved in the annual general meeting held on 31<sup>st</sup> August, 2019 could not be passed as the votes cast in favour of the said resolutions fell short of the requisite majority and the intermittent vacancy, arising from their vacating office on expiry of their first term of appointment, were filled by the Board by appointing Mrs. Nina Paul, Mr. Jose John and Mr. Paul Jose and members' approval has been sought in the ensuing annual general meeting for their appointment by way of ordinary resolutions.

### 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](http://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](http://www.kselimited.com)".

During the year 2019-20, one meeting of the Independent Directors was held on 24<sup>th</sup> March, 2020 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 have 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	Technology	Sales and Marketing	Governance and Board Service	Ethnic national or other diversity	Financial	Practical Knowledge
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. During the year the Audit Committee has been reconstituted with three members. Mr. Verghese C.V. (DIN 00779894), who is a practicing 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 was held on August 31, 2019 and was attended by Mrs. Sathi A. Menon, the then 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 seven times in the year 2019-2020 and the attendance of each member of the Committee was as follows:

Date of Meeting	Mrs. Sathi A. Menon	Dr. Jose Paul Thaliyath	Mr. Joseph Xavier	Mr. Paul John	Mr. Verghese C.V.	Mr. Jose John	Mr. M.P. Jackson
14/05/2019	Present	Present	Present	Present	N.A.	N.A.	N.A.
28/05/2019	Present	Present	Present	Present	N.A.	N.A.	N.A.
27/06/2019	Present	Present	Present	Present	N.A.	N.A.	N.A.
13/08/2019	Present	Present	Present	Present	N.A.	N.A.	N.A.

Date of Meeting	Mrs. Sathi A. Menon	Dr. Jose Paul Thaliyath	Mr. Joseph Xavier	Mr. Paul John	Mr. Verghese C.V.	Mr. Jose John	Mr. M.P. Jackson
12/11/2019	N.A.	N.A.	N.A.	N.A.	Present	Present	Leave of absence
01/02/2020	N.A.	N.A.	N.A.	N.A.	Present	Present	Present
13/02/2020	N.A.	N.A.	N.A.	N.A.	Present	Present	Present

Note : In the Audit Committee all the four Independent Directors were members, and on the expiry of period of appointment of all Independent Directors in September, 2019, the Audit Committee was reconstituted with effect from 1<sup>st</sup> November, 2019.

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. After the reconstitution of the Committee effective from 1<sup>st</sup> November, 2019, 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 three times in the year 2019-20 and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. Joseph Xavier	Mrs. Sathi A. Menon	Mr. P.D. Anto	Dr. Pyarelal K.C.	Mr. Verghese C.V.	Mrs. Nina Paul
30/05/2019	Present	Present	Present	N.A.	N.A.	N.A.
24/09/2019	Present	Present	Present	N.A.	N.A.	N.A.
24/10/2019	N.A.	N.A.	N.A.	Present	Present	Present

The previous annual general meeting of the Company was held on August 31, 2019 and was attended by Mr. Joseph Xavier, the then Chairman of the Nomination and Remuneration Committee. On the expiry of term of appointment of all Independent Directors in September, 2019, the Nomination and Remuneration Committee was reconstituted effective from 1<sup>st</sup> October, 2019 with Dr. Pyarelal K.C. and Mrs. Nina Paul as its members and Mr. Verghese C.V. as the Chairman of the Committee. After appointment of all Independent Directors, the Nomination and Remuneration Committee was again reconstituted effective from 1<sup>st</sup> November, 2019 with Mr. Verghese CV and Dr. Pyarelal K.C. as its members and Mr. Paul Jose, Independent Director, as the Chairman of the Committee. The said reconstituted Committee has not met in year 2019-20.

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 2019-20 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	41.04	5.32	---	46.36
2	Mr. M.P. Jackson	01889504	Executive Director	26.10	8.76	---	34.86
3	Mr. P.D. Anto	00106965	Director	---	---	3.70	3.70
4	Mr. Paul Francis	00382797	Director	---	---	3.05	3.05
5	Dr. K.C. Pyarelal	00923913	Director	---	---	1.85	1.85
6	Mrs. Marykutty Varghese	07307987	Director	---	---	2.05	2.05
7	Ms. Danesa Raghulal	07975553	Director	---	---	1.90	1.90
8	Mr. Jose John	01797056	Director	---	---	1.15	1.15
9	Mr. Verghese C.V.	00779894	Director	---	---	1.40	1.40
10	Mr. Paul Jose	01616504	Director	---	---	0.85	0.85
11	Mrs. Nina Paul	08576074	Director	---	---	1.30	1.30
12	Dr. Jose Paul Thaliyath	01773031	Director	---	---	2.10	2.10
13	Mr. Joseph Xavier	02943750	Director	---	---	1.70	1.70
14	Mrs. Sathi A. Menon	06931857	Director	---	---	1.35	1.35
15	Mr. Paul John	00601440	Director	---	---	1.40	1.40

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

- Notes :
1. Dr. Jose Paul Thaliyath, Mr. Joseph Xavier, Mrs. Sathi A. Menon and Mr. Paul John, all independent directors, retired from the Board on expiry of their respective term of appointment.
  2. Mr. Verghese CV was appointed in the Annual General Meeting held on 31<sup>st</sup> August, 2019.
  3. The special resolutions for appointment of Dr. Jose Paul Thaliyath, Mr. Joseph Xavier and Mr. Paul John as independent directors for a second term of five years moved in the annual general meeting held on 31<sup>st</sup> August, 2019 could not be passed as the votes cast in favour of the said resolutions fell short of the requisite majority and the intermittent vacancy, arising from their vacating office on expiry of their first term of appointment, were filled by the Board by appointing Mrs. Nina Paul, Mr. Jose John and Mr. Paul Jose and members' approval has been sought in the ensuing annual general meeting for their appointment by way of ordinary resolutions.

## 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. This Committee was reconstituted effective from 1<sup>st</sup> November, 2019 with Mr. P.D. Anto (DIN 00106965) 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) 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 2019-20, 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 was held on August 31, 2019 and 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 2019-20 and it was attended as follows:

Date of Meeting	Mr. P.D. Anto	Paul Francis	Ms. Danesa Raghulal	Mrs. Marykutty Varghese	Mr. Joseph Xavier	Ms. Nina Paul
30/05/2019	Present	Leave of Absence	Present	Present	Present	Not applicable
14/08/2019	Present	Present	Present	Present	Present	Not applicable
13/11/2019	Present	Not applicable	Present	Present	Not applicable	Present
13/02/2020	Present	Not applicable	Present	Present	Not applicable	Present

## 9. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee has been reconstituted, effective from 1<sup>st</sup> November, 2019, in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, with 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 includes the following:

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

During the year ended 31<sup>st</sup> March, 2020, the CSR Committee met once and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. A. P. George	Mr. Jose Paul Thaliyath	Mr. Paul John	Dr. Pyarelal K.C.
08/08/2019	Present	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
53 <sup>rd</sup> Annual General Meeting	31 <sup>st</sup> August, 2017	3.00 p.m.	KSE Limited, Registered Office, Solvent Road, Irinjalakuda, Thrissur District, Kerala- 680121
54 <sup>th</sup> Annual General Meeting	31 <sup>st</sup> August, 2018	3.00 p.m.	
55 <sup>th</sup> Annual General Meeting	31 <sup>st</sup> August, 2019	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.
53 <sup>rd</sup> AGM	Enhancement of Remuneration of Mr. M.C. Paul (DIN 00105776), Managing Director. Enhancement of Remuneration of Mr. A.P. George (DIN 00106808), Executive Director.
54 <sup>th</sup> 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 <sup>th</sup> 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.

No resolution was passed through Postal Ballot. In all the above 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. The voting pattern of the said meeting is provided in the Companies web-site “www.kselimited.com” under investor relations.

In the 56<sup>th</sup> Annual General Meeting, in addition to the facility of remote e-voting, facility to cast vote by ballot paper also will be provided for all resolutions to be passed in the meeting. The procedure for remote e-voting and voting by ballot paper at the venue of the meeting has been given in detail in the notes forming part of Notice to the 56<sup>th</sup> Annual General Meeting attached to the Annual Report for the year 2019-20. No resolution is proposed to be conducted through postal ballot in the ensuing 56<sup>th</sup> 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](http://www.kselimited.com). The aforesaid results are also announced to the Stock Exchange as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto in the respective financial year. The Annual Report is also posted in Company’s website “[www.kselimited.com](http://www.kselimited.com)” and can be downloaded.

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

## 12.General Shareholder Information

- |   |   |
|---|---|
| a) AGM - Date, time and venue                               | Tuesday, 15 <sup>th</sup> December, 2020 at 3.00 p.m.<br>KSE Limited, Registered Office,<br>Solvent Road, Irinjalakuda - 680 121.   |
| b) Financial Year   | 1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021   |
| Unaudited Results for First Quarter                         | On or before 14 <sup>th</sup> August, 2020  |
| Unaudited Results for Second Quarter                        | On or before 14 <sup>th</sup> November, 2020  |
| Unaudited Results for Third Quarter                         | On or before 14 <sup>th</sup> February, 2021  |
| Audited Results for year ending 31 <sup>st</sup> March 2021 | On or before 30 <sup>th</sup> May, 2021   |
| c) Dividend Payment Date                                    | <p>Dividend of ₹ 20 per equity share of ₹ 10 each has been recommended for the year 2019-20 by the Board of Directors at its meeting held on 30<sup>th</sup> June, 2020 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be paid/ dispatched after December 15, 2020 as follows:</p> <ol style="list-style-type: none"> <li>1. in respect of the shares in physical form, to those Members, whose names appear in the Register of Members as on December 15, 2020, after giving effect to all valid share transfers in physical form lodged on or before December 08, 2020.</li> <li>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 December 08, 2020.</li> </ol> <p>Book Closure Date    December 09, 2020 to December 15, 2020<br/>(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 2020-2021.

## e) Stock Code

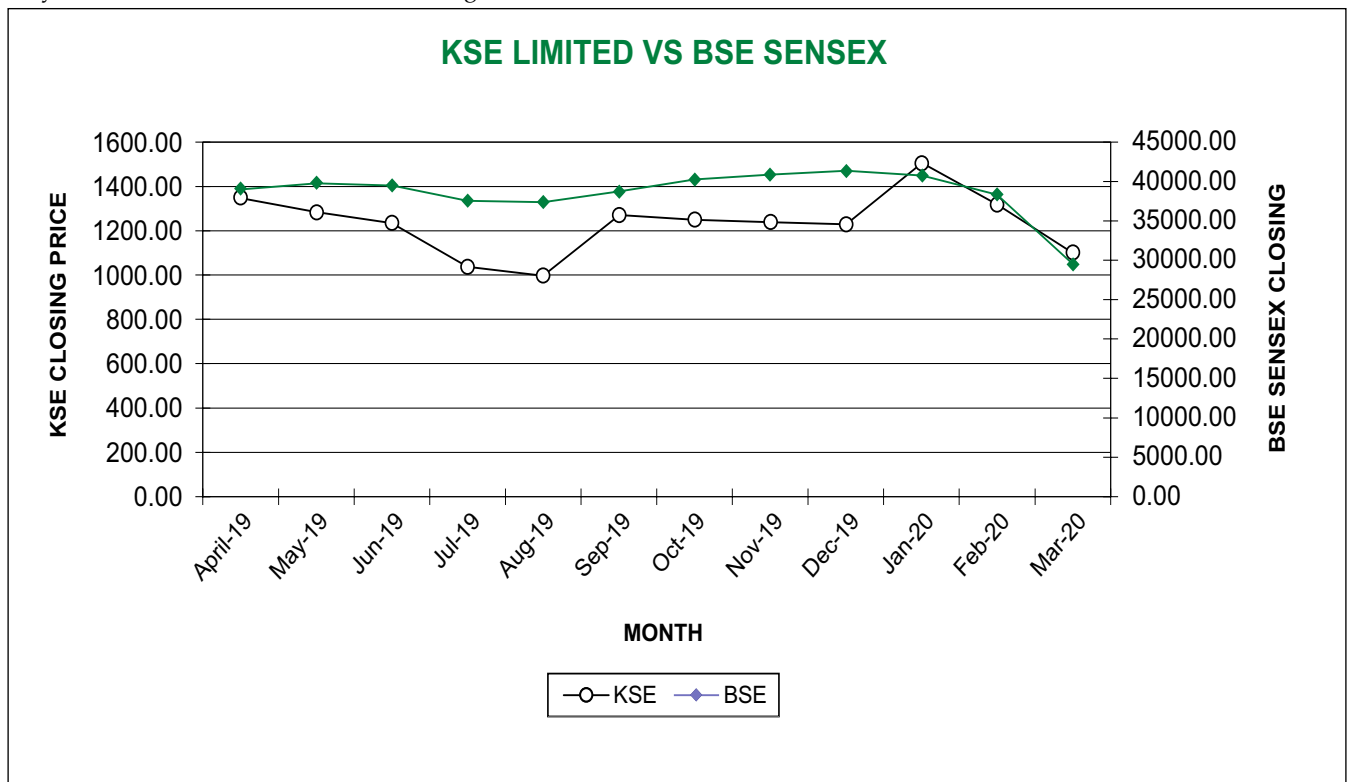
BSE Limited 519421

## f) Market Price Data

The monthly high and low prices and monthly volumes of the Company's shares at BSE for the year ended 31<sup>st</sup> March, 2020 are given below:

Month	High (₹)	Low (₹)	Volume (nos.)
April, 2019	1522.95	1340.00	17721
May, 2019	1414.95	1250.00	16071
June, 2019	1314.95	1200.00	10909
July, 2019	1269.95	898.15	14802
August, 2019	1170.00	925.00	15131
September, 2019	1339.95	961.00	8035
October, 2019	1348.95	1141.15	8823
November, 2019	1304.00	1191.00	10871
December, 2019	1284.00	1173.25	7738
January, 2020	1829.65	1180.00	16029
February, 2020	1646.40	1248.00	11431
March, 2020	1329.90	870.00	22058

g) The Chart below shows the performance of your Company's share price in comparison with BSE Sensex during the financial year 2019-20 based on month end closing:



## h) Trading

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



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

M/s. S.K.D.C. Consultants Limited  
Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A-1,  
Sathy Road, Ganapathy, Coimbatore - 641 006.  
Telephone : 0422 4958995, 2539835-836 Fax: 0422 2539837  
E Mail : info@skdc-consultants.com

- j) Share Transfer System

Demat facility has been provided for the equity shares of the Company and 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 <sup>st</sup> March, 2020			
	No. of Folios	%	No. of Shares	%
1 to 500	5583	91.15	447614	13.99
501 to 1000	191	3.12	146448	4.58
1001 to 5000	251	4.10	548690	17.14
5001 to 10000	38	0.62	245789	7.68
10001 and above	62	1.01	1811459	56.61
<b>Total</b>	<b>6125</b>	<b>100.00</b>	<b>3200000</b>	<b>100.00</b>

- 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 31.03.2020 are as follows:

DEPOSITORY	As at 31 <sup>st</sup> March, 2020	
	No. of Shares	%
NSDL	22,36,482	69.89
CDSL	6,47,373	20.23
<b>Total Demat</b>	<b>28.83,855</b>	<b>90.12</b>

- 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 31<sup>st</sup> March, 2020. 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 (₹ 10 crores)		FA/Stable (Reaffirmed)

## 14. 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. 32.18 of Notes to the Annual Accounts.
- b) **Details of Non-compliance:** No penalty or strictures were imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years.
- c) **Whistle Blower Policy:** In terms of Sub-sections (9) and (10) of Section 177 of the Companies Act, 2013 and in terms of Regulation 22 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Mechanism provides for adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases and no personnel of the Company has been denied access to the Audit Committee. The Board has approved the Whistle Blower Policy and Vigil Mechanism of the Company in its meeting held on 12<sup>th</sup> February, 2015. The same is posted in the Company's website "www.kselimited.com" under "Investor Relations". The disclosures made herein shall be treated as disclosures required to be made under Section 177 of the Companies Act, 2013.

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

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

**e) Material Subsidiaries:** The Company 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 12<sup>th</sup> August, 2014, which is placed in the website of the Company “[www.kselimited.com](http://www.kselimited.com)” under investor relations.

**g) Commodity price risks and Commodity hedging activity:** The main inputs for the manufacture of ready-mixed cattle feed are agricultural commodities. Agricultural markets, by its nature are volatile, and tend to move in line with various factors like farmers’ choice of crop, yield, season and rain fall. 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 2019-20, 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 ₹ 17.20 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 30 - Other expenses. The Company do 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 2019-20. The details relating to the number of complaints received and disposed of during the financial year 2019-20 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. Further, all the requirements of corporate governance specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied, so far as the same are applicable to the Company.

By Order of the Board

Sd/-

**Mr. Jose John**  
(DIN : 01797056)  
Chairman

Irinjalakuda  
June 30, 2020

## CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

### C E R T I F I C A T E

[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, 2020, 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.

Sd/-

SATHISH V

Practicing Company Secretary  
FCS 8005; CP 8343  
UDIN : F008005B000393049

Place : Cochin  
Date : 29.06.2020

## DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31<sup>st</sup> March, 2020.

By Order of the Board

Sd/-

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

Irinjalakuda  
June 30, 2020

## PLANT LOCATIONS

### 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, Athirampuzha,  
Kottayam Dist. - 686 632.  
Tel: 0481 2536829, 2536830, 2538718, 2538719

KSE Limited  
Palakkad Unit, Othungode, Kerala,  
Palakkad - 678 020  
Tel: 0491 2543332, 2543451, 2541858

KSE Limited  
Dairy Unit, Konikkara, Marathakkara P.O.,  
Thrissur - 680 306 Tel: 0487 2351501, 2358806  
Fax: 0487 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  
Fax: 04252 252565

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

### PRODUCTION UNITS-OUT SOURCED

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

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

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

### BRANCH

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

## 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.

The animal population in India is expected to increase continuously in the medium and long terms. This will create a strong demand for eggs, meat, milk, etc., in turn increasing the demand for animal feed. 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. Changing lifestyles and rising per capita incomes in India have resulted in a shift in the dietary habits in the country. This has resulted in an increase in the consumption of milk and meat, leading to a growing demand for 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 for over 45 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. 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 (4) any steps by the Government to further increase GST on ice cream will take away the margin on sale of ice cream.

### 3. Segmentwise Productwise Performance

The segmentwise revenue and year to year change are given hereunder

Segments	2019-20		2018-19		Year to year change Percentage
	₹ in lakhs	Percentage	₹ in lakhs	Percentage	
Animal Feed	126428.27	88.50	104323.37	86.26	21.18
Oil cake processing	12993.90	9.10	13554.98	11.21	(4.14)
Dairy	3429.65	2.40	3062.35	2.53	11.99
Total	142851.82	100.00	120940.70	100.00	18.12

The main reason for reduction in the revenue in oil cake processing division is due to decrease in the quantity of sale of deoiled cake. The market for deoiled copra cake is reducing year by year and is being substituted by the compound animal feed. We are using the balance deoiled copra cake, after that is sold directly in the market, as an input in Animal Feed.

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

Segments	Units of measurement	2019-20	2018-19	Year to year change (Percentage)
		Quantity	Quantity	
Animal Feed	Tons	557095	560224	(0.56)
Deoiled cake	Tons	10081	13170	(23.45)
Refined coconut oil	Tons	6902	6823	1.16
Solvent Extracted Coconut Oil (unrefined)	Tons	2663	313	750.80
Milk	Kilo Litres	4992	4327	15.37
Ice Cream	Kilo Litres	1227	1290	(4.88)

In the above table, the volume of sale of animal feed has been maintained more or less at the same level that of previous year. This is after recording a growth of 5.07 % in 2018-19 and 14.60 % in year 2017-18 from 4.65 lakhs tons for the year 2016-17. Whereas in the cake processing division, the direct sale of deoiled copra cake is diminishing year by year and is being taken over by compound animal feed. During the year sale of raw oil has gone up considerably, as the demand for refined oil was very weak and the quantity of oil stock had an unprecedented increase. The sale of Milk and Ice Cream improved, but in the first phase of lock-down on the Covid-19 pandemic in March, 2020, we had lost substantial quantity of sale of ice cream in that month.

The segmentwise earnings before interest and tax are furnished below:

Segments	2019-20	2018-19	Year to year change Percentage
	₹ in lakhs	₹ in lakhs	
Animal Feed	2884.28	(191.16)	1608.83
Oil cake processing	(383.78)	1579.28	(124.30)
Dairy	(85.38)	63.34	(234.80)
Unallocated income net of expenditure including interest income	345.66	312.74	10.53
Total profit before exceptional items, interest and tax	2760.78	1764.20	56.49

Compare to year 2018-19, the year to year average cattle feed raw material price had increased by around 21% and the year to year average selling price of feed had increased by 22 %. From September, 2018 the monthly average cattle feed ingredient cost increased steadily until August, 2019 and was more or less steady thereafter. By the time, we had adjusted the selling price also slowly to match the cost, and thus we could generate reasonable profit in Animal Feed Division from August, 2019.

In the cake processing division, due to low demand for refined oil, the stock of oil was built up. As a result of this we were compelled to sell raw oil as such at a low price to manage the stock. The selling price of refined oil also went rock bottom level. The monthly average selling price of refined coconut oil has dipped from ₹ 174/kg in April, 2018 to ₹ 116/kg, by March, 2019 and had fallen further to ₹ 112/kg, which was the main factor in the fall in the profit of cake processing division, even though more quantity of oil was produced and sold compared to previous year.

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. However, on the influx of covid pandemic, we have to build up the brand again after pandemic ends. Also there was only thin margin on milk sales and hence taking all the factors together the Dairy division reported loss.

#### 4. Outlook

As predicted in the report for the earlier year, the increasing trend of the ingredient prices from September, 2018, continued till September, 2019 and thereafter the prices are showing a declining trend. We managed the situation to a certain extent by increasing the selling price of feed. But 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.

The demand for our feed is stable which helps us to keep the capacity utilisation and maintain the revenue. We are making appropriate adjustments in the selling price according to the ingredient prices keeping in consideration all the related situations. 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.

The forecast of a normal monsoon and its timely onset may cheer farmers and policy makers alike in India, with prospects of a bumper crop output seen lessening the severe impact of the coronavirus on the economy. The monsoon, which shapes the lives of millions and influences food prices, is critical for agriculture as it irrigates fields directly and fills reservoirs that help winter-sown crops. 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 one lakh 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. As the supply is under strain, the imported copra cake has also become dearer, and the cost of imported cake is also going up coupled with the impact of higher exchange rate for dollar. 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 advent 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, has seriously affected our market for ice cream, but the market for milk remains unaffected. The shops selling the ice cream were under lock-down and 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 catching coronavirus on consumption of cold items. We are still not sure how long the impact of corona virus will continue and hence we see a bleak future for ice cream in the short run. It is also feared that we may have to undertake a relaunch exercise for ice cream on a big budget when the situation is favourable, to reestablish the brand-image 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 surpass the difficult times in year 2020-2021, of course with support of other 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 there were small hitches here and there. 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 15 to 20% and the exchange rate of dollar has also gone up by around 10% compared to last year. This has 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 one lakh 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 is ruling below ₹ 120/kg. and this may cut down the margins in cake processing division. However, recently the demand for our coconut oil is picking up. We expect this condition will continue for a while.

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, 2020, the Revenue from Operations improved by 18 % to ₹ 1429 crores from ₹ 1209 crores, ₹ 220 crores in absolute terms. The over-all profit after tax improved to ₹ 18.05 crores in year 2019-20 compared to ₹ 9.13 crores in the previous year. It is pertinent to note that the profit of ₹ 18.05 crores in year 2019-20 was after posting a loss of nearly ₹ 13 crores in the first quarter of that year.



The sales volume of feed has been maintained at more or less at the same levels at 5.57 lakhs tons in year 2019-20 as against 5.60 lakhs tons in year 2018-19, despite the fact that the first phase of lock down of the Country started in March, 2020. From August, 2019 the ingredient prices lost its upward momentum and was more or less steady for rest of the year and by the time the selling price of feed was also adjusted in tune thereto and the animal feed division started generating profits. The feed division generated a profit of ₹ 28.84 crores compared to previous year loss of ₹ 1.91 crores.

We had processed 1.09 lakh tons of copra cake in year 2019-20 as against 1.03 lakh tons of copra cake in year 2018-19 and improved the volume by 5.00 %. The cake processing division reported a loss of ₹ 3.84 crores as against previous year profit of ₹ 15.79 crores.

The volume of sales of ice cream for the year 2019-20 was 1227 kl as against 1290 kl. in 2018-19 with a resultant fall of about 5% in the volume. The negative publicity against ice cream in the covid scenario was a deterrent in pushing the volume of ice cream in the last quarter of year 2019-20. The Dairy division reported a loss of ₹ 85.38 lakhs in year 2019-20 against the previous year profit of ₹ 63.34 lakhs. The market for ice cream has been almost lost in this covid season and we have to rebuilt 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	2019-20	2018-19
Debtors Turnover	Revenue/Debtors	3496.13 times	7889.15 times
Inventory Turnover	Revenue/Inventory	17.34 times	13.80 times
Interest Coverage Ratio	EBIT/Finance Cost	18.08 times	13.48 times
Current Ratio	Current assets/Current liabilities	4.21 times	2.80 times
Debt Equity Ratio	Total Liabilities/Shareholder's Equity	0.34 times	0.52 times
Operating Profit Margin	EBIT%/Revenue	1.93 %	1.46 %
Net Profit Margin	PAT%/Revenue	1.26 %	0.75 %
Return on Net Worth	PAT/Shareholder's Equity	12.71 %	7.03 %

The reasons for the improvement in profit for the year 2019-20 compared to previous year has been discussed in detail in the earlier paras of this report.

## 9. Industrial Relation

The Company has 932 employees on its rolls as on 31.3.2020. 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 2019-20. During the year, long-term settlement with Unions of Konikkara Unit effective from 01.06.2018 was signed. Negotiations for long-term settlement with Unions of Irinjalakuda Unit effective from 01.04.2019 is in progress and is expected to complete shortly. The period of long term settlement with the Unions of Palakkad Unit has expired and due for revision effective from 01.08.2019 and that of Koratty Unit from 01.01.2020. The negotiations for the two Units will be taken up shortly. Further, in the year 2020-21 the long-term settlements with Unions of Vedagiri Unit is due for revision effective from 01.04.2020 and that of Swaminathapuram Unit effective from 01.05.2020, which will be attended to by the Management in due course. The management continues to maintain cordial industrial relation with its employees in all Units 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, 2020

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

1. This certificate is issued in accordance with the terms of use of our engagement letter dated 16 October, 2019.
2. This report contains details of compliance of conditions of Corporate Governance by KSE Limited (CIN:L15331KL1963PLC002028) ("the Company") for the year ended 31<sup>st</sup> March, 2020 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

3. 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.

### Auditors' responsibility

4. 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.
5. 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 31<sup>st</sup> March, 2020.
6. 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.
7. 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

8. 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.
9. 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

10. 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. R. Sridhar, F. C. A.**  
(M. No. 026343)  
Partner

UDIN: 20026343AAAAAE8567

Irinjalakuda  
June 30, 2020

## INDEPENDENT AUDITORS' REPORT

To the Members of M/S KSE Limited  
Irinjalakuda, Kerala – 680121

### Report on the Audit of the Standalone 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 31<sup>st</sup> March, 2020, 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 31 March 2020, 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 32.13 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 31<sup>st</sup> March 2020 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 31 March, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2020 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 32.3 to the Ind AS financial statements;
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any materials 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)

Irinjalakuda  
June 30, 2020

Sd/-  
**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)  
Partner  
UDIN: 20026343AAAAAD8108

Enclosures : Annexure 1 and Annexure 2 referred to above

### **ANNEXURE - "1" TO THE INDEPENDENT AUDITORS' 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 company listed in the register maintained U/S 189 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 31.03.2020 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, 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	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.
*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. 32.18 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

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

Irinjalakuda  
June 30, 2020

Sd/-  
**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)  
Partner  
UDIN: 20026343AAAAAD8108

## **ANNEXURE "2" TO THE INDEPENDENT AUDITORS' 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, 2020 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.



## Auditors' 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 31 March 2020, 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, 2020

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

Sd/-  
**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)  
Partner

UDIN: 20026343AAAAAD8108

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

Particulars	Note No.	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
<b>A. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2A	2,451.15	2,570.62
(b) Capital Work in Progress	2B	85.44	45.89
(c) Other Intangible Assets	2C	6.16	3.53
(d) Financial Assets			
(i) Investments	3	2.50	2.50
(ii) Loans	4	138.89	118.80
(iii) Other Financial Assets	5	6.30	9.62
(e) Other Non Current Assets	6	5.08	31.32
<b>Total non-current assets</b>		<b>2,695.52</b>	<b>2,782.28</b>
<b>Current Assets</b>			
(a) Inventories	7	8,236.30	8,762.61
(b) Financial Assets			
(i) Investments	8	6,559.64	4,260.68
(ii) Trade Receivables	9	40.86	15.33
(iii) Cash and Cash Equivalents	10	66.79	1,144.04
(iv) Bank Balances other than (iii) above	11	154.21	1,415.82
(v) Loans	12	164.78	155.80
(vi) Other Financial assets	13	7.39	69.75
(c) Current tax assets (net)	14	342.86	565.16
(d) Other Current Assets	15	718.47	552.01
<b>Total current assets</b>		<b>16,291.30</b>	<b>16,941.20</b>
<b>Total Assets</b>		<b>18,986.82</b>	<b>19,723.48</b>

Particulars	Note No.	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	320.00	320.00
(b) Other Equity	17	13,883.41	12,657.15
<b>Total equity</b>		<b>14,203.41</b>	<b>12,977.15</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	891.51	699.10
(b) Deferred Tax Liabilities (Net)	19	21.84	13.22
<b>Total non-current liabilities</b>		<b>913.35</b>	<b>712.32</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	343.28	3,298.61
(ii) Trade Payables -Micro Enterprises and Small Enterprises	21	8.57	3.63
-Others	21	699.05	796.76
(iii) Other financial Liabilities	22	1,586.89	1,321.85
(b ) Other Current Liabilities	23	1,232.27	613.16
<b>Total current liabilities</b>		<b>3,870.06</b>	<b>6,034.01</b>
<b>Total Liabilities</b>		<b>4,783.41</b>	<b>6,746.33</b>
<b>Total Equity and Liabilities</b>		<b>18,986.82</b>	<b>19,723.48</b>

Significant Accounting Policies

1

Additional Information

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**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, 2020

 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. R. Sridhar, F. C. A.**  
 (M. No. 026343)  
 Partner  
 UDIN: 20026343AAAAAD8108

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	Note No.	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
<b>INCOME</b>			
Revenue from operations (See Note No. 32.19)		1,42,851.82	1,20,940.70
Other income	24	421.78	766.26
Total Income (A)		1,43,273.60	1,21,706.96
<b>EXPENSES</b>			
Cost of Materials consumed	25	1,24,978.49	1,07,524.55
Purchases of stock-in-trade		—	—
Changes in inventories of finished goods	26	810.03	(2,244.91)
Employee benefits expense	27	5,328.13	4,886.98
Finance costs	28	152.71	130.85
Depreciation and amortisation expense	29	280.70	334.16
Other expenses	30	9,115.47	9,441.98
Total expenses (B)		1,40,665.53	1,20,073.61
Profit before exceptional items and tax (A) - (B) = (C)		2,608.07	1,633.35
Exceptional items (See Note No. 32.4) (D)		—	170.50
Profit before tax (C) - (D) = (E)		2,608.07	1,462.85
<b>Tax Expense</b>			
Current tax		700.00	625.00
Relating to earlier years (net)		(19.03)	(35.45)
Deferred tax		37.20	(69.31)
Total Tax Expenses (F)		718.17	520.24
<b>Profit for the year (E) - (F) = (G)</b>		1,889.90	942.61
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		(113.55)	(46.03)
(ii) Income tax relating to items that will not be reclassified to profit or loss		28.58	16.09
Total other comprehensive income (net of tax) (H)		(84.97)	(29.94)
<b>Total comprehensive income for the year comprising profit and other comprehensive income for the year (G) + (H)</b>		1,804.93	912.67
Basic and diluted earnings per equity share (₹)	31	59.06	29.46
Nominal value per equity share (₹)		10.00	10.00
Significant Accounting Policies	1		
Additional Information	32		

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)			As per our report of even date attached
<b>Jose John</b> Chairman (DIN : 01797056)	Sd/-	<b>A.P. George</b> (DIN : 00106808) Managing Director	Sd/-
<b>R. Sankaranarayanan</b> Chief Financial Officer and Company Secretary	Sd/-	<b>M.P. Jackson</b> (DIN : 01889504) Executive Director	Sd/-
<b>Inrijalakuda</b> June 30, 2020		<b>P.D. Anto</b> (DIN : 00106965) Director	Sd/-
		<b>Paul Francis</b> (DIN : 00382797) Director	Sd/-
			Sd/- <b>CA. R. Sridhar, F. C. A.</b> (M. No. 026343) Partner UDIN: 20026343AAAAAD8108

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### A. EQUITY SHARE CAPITAL

	No. of Equity shares	Amount ₹ in lakhs
Equity shares of ₹ 10 each subscribed and fully paid up		
Balance as at 31 <sup>st</sup> March, 2019	32,00,000	320.00
Changes in equity share capital during 2019-20	—	—
Balance as at 31 <sup>st</sup> 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 <sup>st</sup> April, 2019								
Balance at the beginning of the reporting period	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 <sup>st</sup> March, 2020	78.18	3.00	162.24	154.97	9,500.00	4,334.28	(349.26)	13,883.41

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)				As per our report of even date attached
<b>Jose John</b> Chairman (DIN : 01797056)	Sd/-	<b>A.P. George</b> (DIN : 00106808) Managing Director	Sd/-	For <b>SRIDHAR &amp; CO.</b> Chartered Accountants, Thiruvananthapuram (Firm No. 003978S)
<b>R. Sankaranarayanan</b> Chief Financial Officer and Company Secretary	Sd/-	<b>M.P. Jackson</b> (DIN : 01889504) Executive Director	Sd/-	
		<b>P.D. Anto</b> (DIN : 00106965) Director	Sd/-	
Irinjalakuda June 30, 2020		<b>Paul Francis</b> (DIN : 00382797) Director	Sd/-	Sd/- <b>CA. R. Sridhar, F. C. A.</b> (M. No. 026343) Partner UDIN: 20026343AAAAAD8108

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	1,889.90	942.61
Adjustments for:		
Depreciation and amortisation expense	280.70	334.16
Finance costs	152.71	130.85
Tax Expense	718.17	520.24
Net gain arising on investments - measured at fair value through profit or loss	(50.35)	(24.16)
Interest income from banks	(30.41)	(120.74)
Provision for employee benefits - Compensated Leave absences	29.25	16.89
Provision for doubtful debts and advances	—	47.67
Advances received from customers no more payable written back	(3.66)	(9.23)
Creditors no more payable written back	(14.24)	—
Provision for doubtful advance written back	(2.45)	—
Advances written back in earlier years paid during current year	0.30	—
Irrecoverable debts written off	5.33	—
Gain on sale of current investments classified at fair value	(66.41)	(364.89)
Net carrying cost of car included in General Charges	—	18.80
Net gain on sale of property, plant and equipment	(1.23)	(5.49)
Operating profit before working capital changes	2,907.61	1,486.71
Adjustments for:		
Inventories	526.31	289.28
Trade receivables, loans & advances and other current assets	(326.76)	(240.96)
Trade payables, other current liabilities and provisions	817.08	(1,151.26)
Cash generated from operations	3,924.24	383.77
Income-tax paid	(458.67)	(1,643.69)
Net cash from / (used in) operating activities (a)	3,465.57	(1,259.92)

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(181.93)	(202.88)
Sale of property, plant and equipment	6.00	9.61
Advance for purchase of property, plant and equipment	—	(26.53)
Purchase of investments	(11,017.84)	(7,000.00)
Redemption of investments	8,835.63	11,461.51
Bank deposits not treated as cash and cash equivalents	1,240.73	(605.51)
Bank deposits with long term maturity	—	(0.76)
Interest income from banks	85.06	71.86
Net cash from / (used) in investing activities (b)	(1,032.35)	3,707.30
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds /(repayment) of short-term bank borrowings	(2,953.83)	(158.25)
Acceptance of public deposits	457.12	445.16
Repayment of public deposits	(299.82)	(394.12)
Bank balances pertaining to unencashed dividend warrants	20.88	(15.72)
Finance costs	(135.28)	(160.63)
Dividends paid (including dividend distribution tax)	(599.54)	(2,298.95)
Net cash from / (used in) financing activities (c)	(3,510.47)	(2,582.51)
<b>D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a)+(b)+(c)</b>		
Cash and cash equivalents at the beginning of the year	1,144.04	1,279.17
Cash and cash equivalents at the close of the year (See Note 10)	66.79	1,144.04
<b>E NET INCREASE / (DECREASE) AS DISCLOSED ABOVE</b>		
	<b>(1,077.25)</b>	<b>(135.13)</b>

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)

**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, 2020

**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. R. Sridhar, F. C. A.**  
(M. No. 026343)

Partner

UDIN: 20026343AAAAAD8108

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 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, 2020.

### 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 2018-19 and 2019-20.

(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 01.04.2019	Additions	Sales/ Adjustments	Cost as at 31.03.2020	Up to 01.04.2019	For the year	Sales/ Adjustments	Up to 31.03.2020	As at 31.03.2020	
Freehold Land	882.93	—	—	882.93	—	—	—	—	882.93	
Leasehold Land	91.48	—	—	91.48	3.61	1.20	—	4.81	86.67	
Buildings	965.81	43.86	2.20	1,007.47	342.07	88.58	0.41	430.24	577.23	
Plant and Equipment	1,361.08	89.10	0.37	1,449.81	502.28	138.05	0.23	640.10	809.71	
Furniture and Fixtures	6.62	8.95	—	15.57	4.23	2.65	—	6.88	8.69	
Vehicles	154.57	—	11.35	143.22	75.42	24.40	8.52	91.30	51.92	
Office Equipment	67.77	22.10	—	89.87	32.03	23.84	—	55.87	34.00	
Total Tangible Assets	3,530.26	164.01	13.92	3,680.35	959.64	278.72	9.16	1,229.20	2,451.15	
	Cost as at 01.04.2018	Additions	Sales/ Adjustments	Cost as at 31.03.2019	Up to 01.04.2018	For the year	Sales/ Adjustments	Up to 31.03.2019	As at 31.03.2019	
Freehold Land	882.93	—	—	882.93	—	—	—	—	882.93	
Leasehold Land	91.48	—	—	91.48	2.41	1.20	—	3.61	87.87	
Buildings	937.46	28.35	—	965.81	235.79	106.28	—	342.07	623.74	
Plant and Equipment	1,243.18	118.20	0.30	1,361.08	336.22	166.16	0.10	502.28	858.80	
Furniture and Fixtures	6.46	0.16	—	6.62	3.28	0.95	—	4.23	2.39	
Vehicles	203.81	14.03	63.27	154.57	76.05	40.05	40.68	75.42	79.15	
Office Equipment	28.15	39.81	0.19	67.77	13.62	18.46	0.05	32.03	35.74	
Total Tangible Assets	3,393.47	200.55	63.76	3,530.26	667.37	333.10	40.83	959.64	2,570.62	

## 2B. CAPITAL WORK IN PROGRESS

Particulars	As at 31.03.2020		As at 31.03.2019	
	₹ in lakhs		₹ in lakhs	
Buildings	—	7.27	—	38.62
Plant and Equipment	85.44	—	85.44	—
Total	85.44	7.27	85.44	38.62

## 2C. OTHER INTANGIBLE ASSETS

₹ in lakhs

	Gross Carrying Value				Depreciation				Net Carrying Value	
	Cost as at 01.04.2019	Additions	Sales/ Adjustments	Cost as at 31.03.2020	Up to 01.04.2019	For the year	Sales/ Adjustments	Up to 31.03.2020	As at 31.03.2020	
Softwares	6.97	4.61	—	11.58	3.44	1.98	—	5.42	6.16	
Total	6.97	4.61	—	11.58	3.44	1.98	—	5.42	6.16	
	Cost as at 01.04.2018	Additions	Sales/ adjustments	Cost as at 31.03.2019	Up to 01.04.2018	For the year	Sales/ adjustments	Up to 31.03.2019	As at 31.03.2019	
Softwares	3.44	3.53	—	6.97	2.38	1.06	—	3.44	3.53	
Total	3.44	3.53	—	6.97	2.38	1.06	—	3.44	3.53	



### 3. INVESTMENTS - NON CURRENT

Particulars	Face value each ₹	No. of Shares	As at 31.03.2020	As at 31.03.2019
			₹ 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 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Unsecured, considered good		
a) Security Deposits	127.60	109.14
b) Other Loans - Loans to Employees	11.29	9.66
Total	138.89	118.80

### 5. OTHER FINANCIAL ASSETS - NON CURRENT

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Bank deposits with maturity of more than 12 months	1.90	1.90
Interest accrued on Loans to employees	4.40	7.72
Total	6.30	9.62

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

## 6. OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Unsecured, considered good Capital Advances	5.08	31.32
Unsecured, considered doubtful Capital Advance	—	13.00
Provision for doubtful Advance	—	(13.00)
Total	5.08	31.32

## 7. INVENTORIES

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Raw materials	4,889.28	4,663.38
Finished goods	2,543.46	3,353.49
Packing Materials	337.00	355.48
Stores and spares	466.56	390.26
Total	8,236.30	8,762.61

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

Note 7.2 Raw material include goods in transit amounting to ₹ 546.10 lakhs (previous year ₹ 26.99 lakhs).

## 8. INVESTMENTS - CURRENT

Particulars	Face value each ₹	As at 31.03.2020		As at 31.03.2019	
		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 Floating Interest Fund - Direct Plan - Growth	100	—	—	343852.823	1,000.52
ii. ICICI Prudential Savings fund - Direct Plan - Growth	100	905598.412	3,535.19	—	—
iii. UTI-Ultra Short Term Fund -Direct Growth Plan	1000	—	—	71977.374	2,259.14
iv. LIC MF Liquid Fund - Direct Plan - Growth	1000	83923.082	3,024.45	29538.583	1,001.02
Total			6,559.64		4,260.68
Aggregate amount of unquoted investments at cost			6,509.29		4,236.52

## 9. TRADE RECEIVABLES

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
(i) Considered good		
Secured	9.37	1.37
Unsecured	31.49	13.96
Sub-total	40.86	15.33
(ii) Considered credit impaired - Unsecured	1.59	1.59
Less: Provision for credit impaired	(1.59)	(1.59)
Sub-total	—	—
Total	40.86	15.33

## 10. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Balances with Banks	50.02	1,117.42
Cheques/drafts on hand	9.41	7.41
Cash on hand	7.34	19.16
Stamps on hand	0.02	0.05
<b>Total</b>	<b>66.79</b>	<b>1,144.04</b>

## 11. OTHER BANK BALANCES

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Balances with Banks		
in current accounts	89.57	110.45
in deposit accounts	64.64	1,305.37
<b>Total</b>	<b>154.21</b>	<b>1,415.82</b>

Note 11.1 Balances with banks include restricted bank balances of ₹ 154.21 lakhs (Previous year ₹ 215.81 lakhs). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees ₹ 4.64 lakhs (Previous year ₹ 4.36 lakhs) and earmarked bank balances for (1) unpaid dividends ₹ 89.57 lakhs (Previous year ₹ 110.45 lakhs) and (2) deposit repayment reserve account ₹ 60.00 lakhs (Previous year ₹ 101.00 lakhs).

## 12. LOANS - CURRENT

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Unsecured, considered good		
Other Loans - Advances to Employees	157.92	146.01
Loans to Employees	6.86	9.79
<b>Total</b>	<b>164.78</b>	<b>155.80</b>

## 13. OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Unsecured, considered good		
Interest accrued on bank deposits	4.45	59.10
Interest accrued on Loans to employees	2.94	—
Insurance claim receivable	—	10.65
<b>Total</b>	<b>7.39</b>	<b>69.75</b>

## 14. TAX ASSETS - CURRENT

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Income Tax Advance (net)	342.86	565.16
<b>Total</b>	<b>342.86</b>	<b>565.16</b>

## 15. OTHER CURRENT ASSETS

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Advances recoverable in cash or in kind or for value to be received		
(a) Unsecured - Considered Good		
- Prepaid Expenses	212.38	201.95
- Balance with government authorities	272.67	169.18
- Other Advances	233.42	180.88
(b) Unsecured - Considered Doubtful (See Note No. 32.5)	32.22	34.67
Less : Provision for doubtful advances	(32.22)	(34.67)
Total	718.47	552.01

## 16. SHARE CAPITAL

Particulars	Par value each ₹	Number of shares	As at 31.03.2020	As at 31.03.2019
			₹ 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 ₹ 20 per equity share of ₹ 10 each, subject to approval of shareholders at the ensuing annual general meeting.

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

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

	As at 31.03.2020		As at 31.03.2019	
	Number of shares	% of holding	Number of shares	% of holding
PJD Properties and Investments P. Ltd.	6,01,464	18.80%	5,65,400	17.67%

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 31.03.2020 ₹ in lakhs		As at 31.03.2019 ₹ in lakhs	
	Capital Reserve		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	8,500.00		8,300.00	
Add : Transfer from Retained Earnings	1,000.00		200.00	
		9,500.00		8,500.00
Retained Earnings				
Balance at the beginning of the year	3,758.76		5,360.75	
Add : Profit for the year	1,889.90		942.61	
Less : Remeasurement of defined benefit obligation, net of tax	(84.97)		(29.94)	
Less : Transfer to General Reserve	(1,000.00)		(200.00)	
Less : Dividend	(480.00)		(1,920.00)	
Less : Dividend distribution tax	(98.67)		(394.66)	
		3,985.02		3,758.76
Total		13,883.41		12,657.15

Note 17.1 The Board of Directors of the company has proposed final dividend of ₹ 20 per share, which is subject to approval by the shareholders at the ensuing Annual General Meeting. The total proposed dividend for the year ended 31<sup>st</sup> March, 2020 amounts to ₹ 640.00 lakhs (subject to deduction of income-tax at source).

## 18. BORROWINGS - NON CURRENT

Particulars	As at 31.03.2020	As at 31.03.2019
	₹ in lakhs	₹ in lakhs
Public Deposits - Unsecured	891.51	699.10
Total	891.51	699.10

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	Balance as on
		31.03.2020	31.03.2019
		₹ in lakhs	₹ in lakhs
(a) One year	8.00 % p.a.	0.57	2.07
(b) Two years	9.00 % p.a.	9.77	4.99
(c) Three years	10.00 % p.a.	1,137.42	983.40
Total		1,147.76	990.46

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

	Note No.	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
(a) Borrowings Non-current	18	891.51	699.10
(b) Borrowings Current	20	0.57	2.07
(c) Other Financial Liabilities -Current	22	255.68	289.29
Total		1,147.76	990.46

Note 18.4 Public Deposits include deposits accepted from Directors ₹ 15.75 lakhs (Previous year ₹ 2.41 lakhs) on the same terms and conditions as applicable to other depositors.

## 19. DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Deferred tax (assets) / liabilities in relation to :		
Property, plant and equipment and intangible assets	(10.42)	( 0.59)
Provision for employee benefits	44.79	42.01
Investments	12.67	8.44
Others	(25.20)	(36.64)
Deferred tax (assets) /liabilities (net)	21.84	13.22

Also see Note 32.2 (ii)

## 20. BORROWINGS - CURRENT

Particulars	As at 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Loans repayable on demand from Banks - Secured		
- Cash credit	342.71	3,296.54
Public Deposits - Unsecured	0.57	2.07
Total	343.28	3,298.61

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 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Total outstanding dues of micro enterprises and small enterprises	8.57	3.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	699.05	796.76
Total	707.62	800.39

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 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
(i) Principal amount due and remaining unpaid to any supplier as at the end of each accounting year	8.57	3.63
(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 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Current Maturities of long-term debt		
- Public Deposits - Unsecured	255.68	289.29
Interest accrued but not due on public deposits	107.81	90.38
Unpaid dividend	89.57	110.44
Unpaid matured deposits and interest accrued thereon	0.86	1.41
Employee benefits expense payable	869.15	599.88
Creditors for expenses	263.82	230.45
Total	1,586.89	1,321.85

Note 22.1 Public Deposits include deposits accepted from Directors ₹ 0.66 lakh (Previous year ₹ 1.00 lakh) on the same terms and conditions as applicable to other depositors.

Note 22.2 Interest accrued but not due on public deposits includes ₹ 0.40 lakh (Previous year ₹ 0.11 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 31.03.2020 ₹ in lakhs	As at 31.03.2019 ₹ in lakhs
Security deposits	120.60	117.86
Advance from customers	853.00	297.69
Statutory and other dues	258.67	197.61
Total	1,232.27	613.16

## 24. OTHER INCOME

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
Interest income		
- from banks (TDS ₹ 2.53 lakhs - Previous year ₹ 6.17 lakh)	30.41	120.74
- from others (TDS ₹ 0.45 lakh - Previous year ₹ 0.62 lakh)	22.86	20.98
Gain on sale of investments classified at fair value through profit and loss	66.41	364.89
Net gain arising on investments measured at fair value through profit and loss	50.35	24.16
Income from wind energy	64.29	83.01
Insurance claim received	3.40	17.17
Gain on exchange rate fluctuation (net)	5.66	—
Net gain on sale of property, plant and equipment	1.23	5.49
Advances received from customers no more payable written back	3.66	9.23
Provision for doubtful debts written back	15.45	—
Creditors no more payable written back	14.24	—
Miscellaneous income	143.82	120.59
<b>Total</b>	<b>421.78</b>	<b>766.26</b>

## 25. COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
Opening Stock	4,636.39	7,063.15
Purchases	1,24,685.28	1,05,097.79
	1,29,321.67	1,12,160.94
Less : Closing stock	4,343.18	4,636.39
<b>Cost of Material consumed</b>	<b>1,24,978.49</b>	<b>1,07,524.55</b>



## 26. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
Opening Stock	3,353.49	1,108.58
Closing Stock	2,543.46	3,353.49
Changes in inventories of finished goods	810.03	(2,244.91)

## 27. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
Remuneration and benefits to Employees and Directors		
Salary, wages, gratuity and bonus	4,414.18	4,152.28
Contribution to Provident Fund	320.34	324.66
Contribution to Employees' State Insurance Corporation	29.24	55.81
Contribution to KSE Ltd. Employees' Group Gratuity Fund Trust	103.08	92.47
Staff welfare expenses (See Note 32.9)	461.29	261.76
Total	5,328.13	4,886.98

## 28. FINANCE COSTS

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
Interest Expenses		
- on Cash Credit	37.37	24.27
- on Public Deposits	115.08	106.05
- on Others	—	—
Other Borrowing Costs - Bank charges	0.26	0.53
Total	152.71	130.85

Note 28.1: Interest Expenses on Public Deposits include ₹ 0.87 lakh (Previous year ₹ 0.35 lakh) being interest paid on deposits accepted from Directors.

## 29. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
Tangible Assets	278.72	333.10
Intangible Assets	1.98	1.06
Total	280.70	334.16

## 30. OTHER EXPENSES

Particulars	Year ended 31.03.2020 ₹ in lakhs		Year ended 31.03.2019 ₹ in lakhs	
Processing charges	2,408.27		2,388.89	
Packing materials consumed	2,542.98		2,860.80	
Power and fuel	1,682.66		1,606.30	
Freight	628.58		676.03	
Stores and spares consumed	617.21		642.55	
Rent (See Note 32.16)	43.40		13.40	
Rates and taxes	171.08		97.53	
Repairs				
Plant and machinery	72.60		63.99	
Building	24.97		23.69	
Vehicles	33.94		26.67	
Others	222.81	354.32	258.44	372.79
Travelling and conveyance	60.00		61.73	
Advertisement and Sales promotion (See Note 32.9)	147.79		211.80	
Postage and telephone	26.78		35.33	
Printing and stationery	18.93		28.47	
Insurance	74.22		36.44	
Sitting fees to Directors	23.80		23.60	
Carrying cost of car given to former MD as terminal benefits	—		18.80	
Payments to Auditors and expenses				
For Audit	6.50		6.00	
For Tax audit	1.00		1.00	
For GST Audit	—		1.50	
For Limited Review	4.00		3.00	
For Certification works	0.90		0.20	
Travelling and out-of-pocket expenses	3.33		6.94	
GST on the above	1.47	17.20	1.98	20.62
Professional charges	64.93		54.44	
Commission and Brokerage	2.28		0.14	
Bank Charges (See Note 32.9)	17.43		6.96	
Corporate Social Responsibility Expenditure (See Note 32.7)	98.17		121.88	
Irrecoverable debts written off	5.33		—	
Provision for doubtful debts and advances	—		47.67	
Advances written back in earlier year paid during current year	0.30		—	
General charges	109.81		115.81	
Total	9,115.47		9,441.98	

## 31. EARNINGS PER SHARE

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit for the year as per the Statement of Profit and Loss (Before Other Comprehensive Income) (₹ in lakhs)	1,889.90	942.61
Number of Equity Shares	32,00,000	32,00,000
Basic and diluted earnings per share (₹)	59.06	29.46

## 32. ADDITIONAL INFORMATION

### 32.1 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 31.03.2020	As at 31.03.2019
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	6,559.64	4,260.68

Category wise classification of financial instruments is as follows:

Particulars	Refer Note	Fair Value (₹ in lakhs)	
		As at 31.03.2020	As at 31.03.2019
<b>Financial Assets measured at Fair value through Other Comprehensive Income</b> Investments in Equity shares - Unquoted (Non current)	3	2.50	2.50
<b>Financial Assets measured at Fair value through Profit or Loss</b> Investment in Mutual Funds - Unquoted (Current)	8	6,559.64	4,260.68
<b>Financial Assets measured at amortised cost</b>			
Non current:			
i. Loans	4	138.89	118.80
ii. Other Financial Assets	5	6.30	9.62
Current:			
i. Trade receivables	9	40.86	15.33
ii. Bank balances other than cash and cash equivalents	11	154.21	1,415.82
iii. Loans	12	164.78	155.80
iv. Other Financial Assets	13	7.39	69.75
v. Cash and cash equivalents	10	66.79	1,144.04
		<b>7,141.36</b>	<b>7,192.34</b>
<b>Financial Liabilities measured at amortised cost</b>			
Non Current:			
i. Borrowings	18	891.51	699.10
Current:			
i. Borrowings	20	343.28	3,298.61
ii. Trade payables	21	707.62	800.39
iii. Other financial liabilities	22	1,586.89	1,321.85
		<b>3,529.30</b>	<b>6,119.95</b>

## 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 31<sup>st</sup> March, 2020, the Company has only one class of equity shares. The company is not subject to any externally imposed capital requirements.

## 32.2 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 31.03.2020	Year Ended 31.03.2019
(a) Profit before Tax as per Statement of Profit and Loss	2,608.07	1,462.85
Add : Other Comprehensive Income that will not be reclassified to Statement of Profit and Loss	(113.55)	(46.03)
Accounting Profit	2,494.52	1,416.82
(b) Tax on above at the applicable tax rate (refer (i) below)	627.82	495.09
(c) Tax effect of items that are not deductible in determining taxable profit	164.89	283.46
(d) Tax effect of items that are deductible in determining taxable profit	(134.01)	(175.45)
	658.70	603.10
(e) Add : Interest payable under Income Tax Act	24.96	—
(f) Tax and interest	683.66	603.10
(g) Add : Excess Provision made in accounts	16.34	21.90
(h) Current Tax as per Statement of Profit and Loss	700.00	625.00
(i) Applicable rate of tax as per Finance Act	25.168%	34.944%
(j) Average effective tax rate (f / a)	27.406%	42.567%

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

₹ in lakhs

	As at 31.03.2019	Charge / (credit) to Statement of Profit or loss (2019-20)	Charge / (credit) to the Statement of Other Comprehensive Income (2019-20)	As at 31.03.2020 (a)+(b)+ (c)
	(a)	(b)	(c)	(d)
(a) Property, Plant and Equipment	(0.59)	(9.83)		(10.42)
(b) Employee Benefits	42.01	31.36	(28.58)	44.79
(c) Investments	8.44	4.23		12.67
(d) Other Current Liabilities	(36.64)	11.44		(25.20)
	13.22	37.20	(28.58)	21.84

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

	2019-20		2018-19	
	₹ in lakhs		₹ in lakhs	
<b>I Contingent Liabilities</b>				
a) Claims against the Company not acknowledged as debts (See Note below):				
(i) Central Excise Duty	—		34.52	
(ii) Kerala General Sales Tax	25.40		25.40	
(iii) Freight/demurrage demanded by Indian Railways	57.11		57.11	
(iv) ESI	4.38		4.38	
(v) Electricity	—		1.12	
b) Bank Guarantees in favour of KSEB	49.70		49.70	
c) Demand of Fine by BSE Limited	2.48		—	
d) Other money for which the Company is contingently liable	—	139.07	—	172.23
<b>II Commitments</b>				
a) Estimated amount of contracts remaining to be executed on capital account not provided for	18.32		73.54	
b) Letter of credit for import of raw materials	1,143.98	1,162.30	—	73.54
<b>TOTAL</b>		<b>1,301.37</b>		<b>245.77</b>

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

- (i) 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.
- (ii) 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.
- (iii) (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.

- (iv) 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.

- 32.4 Due to certain additional requirements of the Department of Customs, while importing copra expeller cake, there was delay in clearing the same, resulting in payment of container detention charges and other incidental expenses totally amounting to ₹ 170.50 lakhs (net of GST), which has been shown as exceptional items, for the year 2018-19.
- 32.5 During the year ended 31<sup>st</sup> March, 2019, fraud committed by a trusted employee of the company, for over a period of five years, aggregating to the extent of ₹ 39.67 lakhs was detected and suitable remedial action has been taken to prevent occurrence of similar instances. A sum of ₹ 7.45 lakhs has been realised from that employee and the company has made provision for the balance even though the company is hopeful of realising the balance amount.
- 32.6 The closing stock of solvent extracted coconut oil has been valued at net realisable value as the said value is lesser than the production cost as on 31<sup>st</sup> March, 2020. As a result of this, the impact on the inventory is ₹ 79.81 lakhs (previous year ₹ 274.28 lakhs) as on that date.
- 32.7 Corporate Social Responsibility Expenses

	2019-20 ₹ in lakhs	2018-19 ₹ in lakhs
A. Gross amount required to be spent by the Company during the year	96.29	95.22
B. Amount spent during the year on:		
i Construction/Acquisition of any assets	—	—
ii Purposes other than (i) above (See Note 30)	98.17	121.88
	98.17	121.88
C. Related party transactions included in (B) above	—	—
D. Amount of provision and movement thereof during the year with respect to the above expense	—	—

- 32.8 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.
- 32.9 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.
- 32.10 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.
- 32.11 Stores and spares consumed include cost of materials used for repairs and maintenance.
- 32.12 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.
- 32.13 The company has a system of periodically obtaining and reconciling confirmations of balances with banks, suppliers and customers.
- 32.14 The company does not have any account grouped under 'Provisions' in the Ind AS financial statements. Hence, disclosure regarding 'movement in provisions', stipulated in Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, is not applicable to the company.

## 32.15 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:

	2019-20 ₹ in lakhs	2018-19 ₹ in lakhs
Employer's Contribution to Provident Fund	320.34	324.66
Employer's Contribution to Employee's State Insurance Corporation	29.24	55.81

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

	Gratuity (Funded)		Compensated absences (Funded)	
	2019-20	2018-19	2019-20	2018-19
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(i) <b>Actuarial Assumptions</b>				
Discount Rate (per annum)	6.70%	7.80%	6.70%	7.80%
Expected Rate of return on plan assets (per annum)	7.00%	7.65%	7.00%	7.65%
Compensation escalation Rate (per annum)	8.00%	8.00%	8.00%	8.00%
Mortality Rate	Indian Lives Mortality (1994-96) Ultimate Table			
	2019-20	2018-19	2019-20	2018-19
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(ii) <b>Reconciliation of present value of obligations</b>				
Present value of obligation at the beginning of the year	1,861.63	1,733.86	172.88	155.99
Current service cost	114.51	98.51	146.92	137.72
Interest cost	128.57	139.08	11.59	17.54
Actuarial (gain) / loss	113.55	46.03	(124.54)	(137.66)
Benefits paid / Settlement	(150.88)	(155.85)	(4.72)	(0.71)
Present value of obligations at the end of the year	2,067.38	1,861.63	202.13	172.88
(iii) <b>Reconciliation of fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	2,008.16	1,912.38	237.34	159.35
Expected return on plan assets	140.00	145.12	17.52	12.86
Contributions by employer	184.83	106.51	16.11	65.83
Benefits paid / Settlement	(150.88)	(155.85)	(4.72)	(0.70)
Fair value of plan assets at the end of the year	2,182.11	2,008.16	266.25	237.34
(iv) <b>Description of plan assets - Insurer managed assets</b>	2,182.11	2,008.16	266.25	237.34
(v) <b>Major category of plan assets as % of total plan assets</b>				
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) <b>Net (Asset) / Liability recognised in the balance sheet as at the end of the year</b>				
Present value of obligation at the end of the year	2,067.38	1,861.63	202.13	172.88
Fair value of plan assets at the end of the year	2,182.11	2,008.16	266.24	237.34
Net present value of funded obligation recognised as (asset) / liability in the balance sheet	(114.73)	(146.53)	(64.11)	(64.46)



		Gratuity (Funded)		Compensated absences (Funded)	
		2019-20	2018-19	2019-20	2018-19
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(vii)	<b>Expenses recognised in the statement of profit and loss</b>				
	Current service cost	114.51	98.51	146.92	137.72
	Interest cost	128.57	139.08	11.59	17.54
	Expected return on plan assets	(140.00)	(145.12)	(17.52)	(12.86)
	Actuarial (gain) / loss recognised in the period	—	—	(124.54)	(137.66)
	Total expenses recognised in the statement of profit and loss for the year	103.08	92.47	16.45	4.74
(viii)	Net Actuarial losses / (gains) recognised in Other Comprehensive Income	113.55	46.03	—	—
	Actual return of plan assets	140.00	145.12	17.52	12.86
(ix)	<b>Non-current and current value of obligation</b>				
	Non-current	1,922.79	1,717.33	185.29	148.95
	Current	144.59	144.30	16.84	23.93
	Total value of obligation	2,067.38	1,861.63	202.13	172.88

		31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(x)	Amount recognised in current year and previous four years					
	<b>Gratuity (Funded)</b>					
	Present value of defined benefit obligations	2,067.38	1,861.63	1,733.86	1,484.29	1,244.53
	Fair value of plan assets	2,182.11	2,008.16	1,912.38	1,706.68	1,406.25
	Funded status - (asset) / liability	(114.73)	(146.53)	(178.52)	(222.39)	(161.72)
	Actuarial (gain) / loss on plan obligations	113.55	46.03	137.04	135.55	87.65
	Actuarial gain / (loss) on plan assets	—	—	(2.16)	1.57	2.29
	<b>Compensated absences (Funded)</b>					
	Present value of defined benefit obligations	202.13	172.88	155.99	147.45	125.84
	Fair value of plan assets	266.25	237.34	159.35	147.91	137.16
	Funded status - (asset) / liability	(64.12)	(64.46)	(3.36)	(0.46)	(11.32)
	Actuarial (gain) / loss on plan obligations	(124.54)	(137.66)	(84.39)	(79.23)	(67.87)
	Actuarial gain / (loss) on plan assets	0.91	0.67	0.03	0.32	0.51

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

A. Gratuity (Funded) -

	Year ended 31.03.2020		Year ended 31.03.2019	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	1,897.60	2,262.99	1,715.73	2,028.19
Salary increase rate	2,231.56	1,919.67	2,002.82	1,733.80
Employee turnover	3,144.15	990.62	2,831.22	892.03
Undiscounted Cash flow over the years	4,244.69		4,173.70	

## B. Compensated absences (Funded)

	Year ended 31.03.2020		Year ended 31.03.2019	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	183.15	227.69	157.80	190.68
Salary increase rate	225.05	184.91	188.71	159.16
Employee turnover	307.41	96.85	262.92	82.84
Undiscounted Cash flow over the years	531.00		472.40	

*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:**

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

32.16 **Lease rental payments**

	2019-20 ₹ in lakhs	2018-19 ₹ in lakhs
(a) Recognised in statement of profit and loss	43.40	13.40
(b) Future minimum lease rentals payable as per lease agreement at the year end		
(i) Not later than one year	7.26	18.45
Later than one year and not later than five years	8.40	8.40
Total	15.66	26.85
(c) The Company has hired buildings under rental arrangements which are treated as operating lease.		

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

₹ in lakhs

	2019-20	2018-19
(a) Segment Revenue		
Animal Feed	126428.27	104323.37
Oil cake processing	27741.73	25901.18
Dairy	3429.65	3062.35
Total	157599.65	133286.90
Less Inter-segment Revenue - Oil cake processing	14747.83	12346.20
Total Revenue	<b>142851.82</b>	<b>120940.70</b>
(b) Segment Results		
Animal Feed	2884.28	(191.16)
Oil cake processing	(383.78)	1579.28
Dairy	(85.38)	63.34
Total	<b>2415.12</b>	<b>1451.46</b>
Add Unallocated income (net of unallocated expenditure)	292.39	171.02
Less Finance Costs	152.71	130.85
Add Interest Income	53.27	141.72
Total Profit before tax and exceptional items	2608.07	1633.35
Less Exceptional items	—	170.50
Profit before tax	<b>2608.07</b>	<b>1462.85</b>
(c) Segment Assets		
Animal Feed	5178.64	6584.53
Oil cake processing	5116.57	4172.82
Dairy	836.33	712.18
Unallocated Assets	7855.28	8253.95
Total	<b>18986.82</b>	<b>19723.48</b>
(d) Segment Liabilities		
Animal Feed	2474.54	1679.29
Oil cake processing	401.16	313.04
Dairy	157.76	217.52
Unallocated Liabilities	1749.95	4536.48
Total	<b>4783.41</b>	<b>6746.33</b>
(e) Segment Capital Expenditure		
Animal Feed	90.15	66.79
Oil cake processing	(1.78)	4.18
Dairy	117.88	112.32
Unallocated Capital Expenditure	1.92	49.59
Total	<b>208.17</b>	<b>232.88</b>
(f) Segment Depreciation and amortisation expenses		
Animal Feed	111.20	132.09
Oil cake processing	43.24	49.96
Dairy	51.16	48.02
Unallocated Depreciation	75.10	104.09
Total	<b>280.70</b>	<b>334.16</b>
(g) There is no significant non-cash expenses, included in segment expenses, other than depreciation and amortisation expenses in respect of segment assets.		

Notes:	2019-20 ₹ in lakhs	2018-19 ₹ in lakhs
1 Unallocated assets include		
Property, Plant and Equipment - Windmill	366.06	414.95
Non- current investments	2.50	2.50
Cash and Bank balances	222.90	2,561.76
Current tax asset	342.86	565.16
Current Investments	6,559.64	4,260.68
2 Unallocated liabilities include		
Long Term borrowings	891.51	699.10
Current maturities of Public Deposit	255.68	289.29
Interest accrued but not due on public deposits	107.81	90.38
Deferred tax liabilities	21.84	13.22
Unpaid dividends	89.57	110.44
Short-term borrowings	343.28	3,298.61

### 32.18 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. Dr. Jose Paul Thaliyath, Independent Director (upto 24.09.2019) Mr. Joseph Xavier, Independent Director (upto 24.09.2019) Mrs. Sathi A. Menon, Independent Director (upto 24.09.2019) Mr. Paul John, Independent Director (upto 25.09.2019) Mr. Verghese C.V. (from 25.09.2019) Mrs. Nina Paul (from 01.10.2019) Mr. Jose John (from 01.11.2019) Mr. Paul Jose (from 01.11.2019)
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.	

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. Teena Prince	Ms. Allu Alex
	Ms. Riya Prince	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	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
a.	Revenue Items						
	Revenue from sale of products	—	—	—	—	420.53	332.47
	Purchase of goods	—	—	—	—	1205.43	1162.73
	Remuneration to MD and ED	81.22	64.63	—	—	—	—
	Sitting Fees Paid to Non-executive Directors	23.80	23.60	—	—	—	—
	Reimbursement of Expenses - paid	4.20	3.70	—	—	—	—
	Interest on Public Deposit	0.87	0.35	11.48	10.15	—	—
	Sales Promotion	—	—	—	—	0.30	0.77
	Terminal benefits to Ex-MD	—	—	—	26.30	—	—
	Others	—	—	—	—	—	—
b.	Outstanding at the close of the year						
	Public Deposits	16.81	3.52	122.28	105.74	—	—
	Trade advances received	—	—	—	—	—	0.54
	Trade and other payables	—	—	—	—	3.01	3.63
	Bonus and gratuity payable	11.19	9.74	—	—	—	—
	Receivables	—	—	—	—	—	—

Note : Dividends as declared in relevant Annual General Meetings 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 :

	2019-20 ₹ in lakhs	2018-19 ₹ in lakhs
Transaction with Defined Benefit Gratuity Plan		
Contribution to KSE Employees' Group Gratuity Fund Trust	216.63	138.50

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.

## 32.19 Particulars in respect of stock and Revenue from Operations

₹ in lakhs

Sl. No.	Class of goods manufactured	Opening Value		Closing Value		Sales Value	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1.	Ready-mixed Cattle Feed and Feed Supplement	532.77	319.99	259.58	532.77	126,027.29	103,885.46
2.	De-oiled Coconut Cake	281.95	217.66	111.96	281.95	2,433.33	3,023.69
3.	Refined Coconut Oil	488.87	21.52	18.50	488.87	7,939.11	9,969.87
4.	Solvent Extracted Coconut oil	1984.46	484.09	2066.56	1984.46	2,394.98	289.80
5.	Milk	4.87	5.27	3.17	4.87	2,090.84	1,715.49
6.	Ice Cream	32.34	31.32	39.19	32.34	1,067.06	1,082.40
7.	Revenue from sale of Raw Materials	—	—	—	—	9.21	—
7.	Others	28.23	28.73	44.50	28.23	890.00	973.99
	Total	3,353.49	1,108.58	2,543.46	3,353.49	142,851.82	120,940.70

## 32.20 Raw materials consumed

		2019-20 ₹ in lakhs	2018-19 ₹ in lakhs
(a)	Coconut Oil Cake	27,528.99	25,988.26
(b)	Rice Bran	39,980.45	34,607.76
(c)	Maize	25,293.84	20,407.31
(d)	Cotton Seed Cake	9,177.18	9,147.04
(e)	Groundnut cake extraction	3,352.12	3,186.17
(f)	Deoiled soyabean cake	816.87	1,127.87
(g)	Rapeseed extraction	7,302.23	6,859.06
(h)	Milk	1,846.82	1,442.98
(i)	Others	9,679.99	4,758.10
	Total	124,978.49	107,524.55

## 32.21 Consumption of raw materials and stores and spares

		Year ended 31 <sup>st</sup> March 2020		Year ended 31 <sup>st</sup> March 2019	
		%	₹ in lakhs	%	₹ in lakhs
(a)	Raw Materials				
	Imported	13.23	16,537.05	12.63	13,577.23
	Indigenous	86.77	108,441.44	87.37	93,947.32
	Total	100.00	124,978.49	100.00	107,524.55
(b)	Stores and Spares				
	Imported	0.16	1.01	1.41	9.06
	Indigenous	99.84	616.20	98.59	633.49
	Total	100.00	617.21	100.00	642.55

	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
32.22 CIF value of imports (₹ in lakhs)		
- Raw materials	14,476.61	8,865.72
- Capital goods	Nil	Nil
- Stores and Spares	0.75	0.60
32.23 Expenditure in Foreign Currency (₹ in lakhs)	Nil	Nil
32.24 Earnings in Foreign Exchange (₹ in lakhs)	0.35	1.77
32.25 Remittance in foreign currencies on account of dividend (including remittance to NRE accounts)		
i) No. of Non-Resident shareholders	130	152
ii) No. of shares held by them	61,935	57,989
iii) Dividend remitted in Foreign Currency	Nil	Nil
32.26 Rectification entries amounting to ₹ 18.93 lakhs has been made, during the year ended 31 <sup>st</sup> March 2020, in order to reverse a mistake made while passing correction entries in the books of accounts, in relation to the fraud reported in the year ended 31 <sup>st</sup> March, 2019 as narrated in Note No. 32.5 above. Since it do not have any material impact, the same has been charged to the revenue during the year 2019-20, in accordance with IndAS-8 relating to errors, without restating the figures of the previous years.		

32.27 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
<b>Jose John</b> Chairman (DIN : 01797056)	Sd/-	<b>A.P. George</b> (DIN : 00106808) Managing Director	Sd/-	For <b>SRIDHAR &amp; CO.</b> Chartered Accountants, Thiruvananthapuram (Firm No. 003978S)
<b>R. Sankaranarayanan</b> Chief Financial Officer and Company Secretary	Sd/-	<b>M.P. Jackson</b> (DIN : 01889504) Executive Director	Sd/-	
Irinjalakuda June 30, 2020		<b>P.D. Anto</b> (DIN : 00106965) Director	Sd/-	
		<b>Paul Francis</b> (DIN : 00382797) Director	Sd/-	Sd/- <b>CA. R. Sridhar, F. C. A.</b> (M. No. 026343) Partner UDIN: 20026343AAAAAD8108

## SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

₹ in lakhs

	2019-20	2018-19	2017-18	2016-17	2015-16
<b>A. ASSETS</b>					
1. Net Fixed Assets	2542.75	2620.04	2744.25	2897.11	2527.09
2. Investments	6562.14	4263.18	8335.63	3512.83	2.50
3. Current Assets and Advances	9881.93	12840.26	11884.85	9217.89	9029.20
Total asset	18986.82	19723.48	22964.73	15627.83	11558.79
<b>B. LIABILITIES</b>					
1. Secured and unsecured loans	1490.47	4287.00	4394.21	3937.43	1147.80
2. Other Liabilities	3292.94	2459.33	4191.38	3030.14	3242.14
Total liabilities	4783.41	6746.33	8585.59	6967.57	4389.94
<b>C. NET WORTH (A-B)</b>	14203.41	12977.15	14379.14	8660.26	7168.85
<b>REPRESENTED BY</b>					
1. Share Capital	320.00	320.00	320.00	320.00	320.00
2. Other Equity	13883.41	12657.15	14059.14	8340.26	6848.85
Shareholder's equity	14203.41	12977.15	14379.14	8660.26	7168.85

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

₹ in lakhs

	2019-20	2018-19	2017-18	2016-17	2015-16
<b>A. EARNED FROM</b>					
1. Sales	142851.82	120940.70	130417.33	104724.53	92493.46
2. Other income	421.78	766.26	519.07	209.58	229.99
	143273.60	121706.96	130936.40	104934.11	92723.45
<b>B. PAID AND PROVIDED FOR</b>					
1. Raw materials and finished goods	125788.52	105279.64	106911.86	90184.66	80150.20
2. Manufacturing, administrative, selling and other expenses	9115.47	9612.48	8010.09	7501.91	7093.02
3. Employee benefits expense	5441.68	4933.01	4814.27	4265.09	3695.93
4. Finance costs	152.71	130.85	119.91	201.53	131.34
5. Depreciation/amortisation	280.70	334.16	352.27	328.06	426.88
	140779.08	120290.14	120208.40	102481.25	91497.37
<b>C. PROFIT BEFORE TAX (A-B)</b>	2494.52	1416.82	10728.00	2452.86	1226.08
Less: Tax Expenses	689.59	504.15	3853.69	905.48	468.01
<b>D. NET PROFIT AFTER TAX</b>	1804.93	912.67	6874.31	1547.38	758.07
<b>APPROPRIATED TO</b>					
1. Proposed Dividend	640.00	480.00	1920.00	960.00	640.00
2. Dividend distribution tax	—	98.67	394.66	195.43	130.29
3. Retained in business / (Utilised from accumulated profits)	1164.93	334.00	4559.65	391.95	(12.22)
	1804.93	912.67	6874.31	1547.38	758.07





**KSE**  
LIMITED  
AN ISO 9001:2015 CERTIFIED COMPANY

# 55<sup>th</sup> Annual General Meeting

31<sup>st</sup> August 2019, Saturday

- M. S. JAYALALITHA  
Chairman
- C. GOVINDARAJAN  
CEO
- A. S. PILLAI  
Finance Director
- PAUL JOHN  
Director
- P. D. AMTO  
Director
- A. R. DEBDE  
Marketing Director
- M. J. BALAKRISHNAN  
Director
- M. J. JACKSON  
Executive Director
- M. J. BALAKRISHNAN  
Executive Director
- JOSEPH JAYAR  
Director
- PAUL FRANCIS  
Director
- S. ANIL KUMAR  
Director
- S. ANIL KUMAR  
Director

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

KSE Limited  
Palakkad Unit, Othungode, Kerala,  
Palakkad - 678 020  
Tel: 0491 2543332, 2543451, 2541858

KSE Limited  
Dairy Unit, Konikkara, Marathakkara P.O.,  
Thrissur - 680 306 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 2370056



### Corporate Office:

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