



51st Annual Report

2014-2015

Respectful Homage



P. K. VARGHESE

04.05.1946 - 12.07.2015

Executive Director
KSE Limited

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



CIN : L15331KL1963PLC002028

Registered Office

Solvent Road, Irinjalakuda,
Kerala -680 121

Statutory Auditors

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

Secretarial Auditors

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

Cost Auditors

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

Bankers

ICICI Bank Limited

Registrars and Share Transfer Agents

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

Annual General Meeting

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

Venue

Registered Office,
Solvent Road, Irinjalakuda - 680 121

Chairman

Jose Paul Thaliyath

Managing Director

M. C. Paul

Executive Director

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

Director and Legal Advisor

A. P. George

Directors

K.P. John (resigned effective from 08.01.2015)

P. D. Anto

Dr. K. C. Vijayaraghavan

John Francis K.

T. R. Ragulal

Joseph Xavier

Sathi A. Menon (from 25.09.2014)

Paul John (from 12.02.2015)

Chief General Manager

Anand Menon

Chief Financial Officer and Company Secretary

R. Sankaranarayanan

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Financial Highlights

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



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

NOTICE OF THE 51ST ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

5. Ratification of Appointment of Auditors

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

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

SPECIAL BUSINESS

6. Appointment of Independent Director

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

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

7. Approval of remuneration to Cost Auditor

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

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

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

8. Approval for acceptance of Deposits from Public/Members

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

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

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

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

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

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

a) Salary

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

b) Bonus

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

c) Gratuity

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

d) Contribution to funds

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

e) Benefits, Perquisites and Allowances

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

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

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

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

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

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

Notes:

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

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

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

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

The instructions for shareholders voting electronically are as under:

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