



52nd
**ANNUAL
REPORT**
2015-2016



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



CIN : L15331KL1963PLC002028

Registered Office

Solvent Road, Irinjalakuda,
Kerala -680 121

Statutory Auditors

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

Secretarial Auditors

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

Cost Auditors

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

Bankers

ICICI Bank Limited

Registrars and Share Transfer Agents

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

Chairman

Dr. Jose Paul Thaliyath

Managing Director

M. C. Paul

Executive Director

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

Directors

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

Chief General Manager

Anand Menon

Chief Financial Officer and Company Secretary

R. Sankaranarayanan

Annual General Meeting

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

Venue

Registered Office,
Solvent Road, Irinjalakuda - 680 121

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Financial Highlights

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



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

NOTICE OF THE 52ND ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS

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

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

“RESOLVED THAT the audited financial statements of the Company for the year ended 31st March, 2016 including balance sheet as at 31st March, 2016 and the statement of profit and loss for the year ended 31st March, 2016 together with the reports of the board of directors and the auditors of the Company thereon, as presented to the meeting, be and are hereby received, approved and adopted.”

2. To declare dividend on equity shares at the rate of ₹ 20 per equity share

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

“RESOLVED THAT dividend of ₹ 20 per equity share on 32,00,000 equity shares of ₹ 10 each be and is hereby declared out of the profits of the Company for the year ended 31st March, 2016 and also from the accumulated profits as on that date as allowed by Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014, absorbing an amount of 7,70,28,894 (including dividend distribution tax and surcharge and cess thereon) and that the dividend of ₹ 20 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30th May, 2016 be paid to those shareholders, whose names appear in the Company's register of members as on 31st August, 2016 and in respect of equity shares held in dematerialised form to those beneficial owners of the equity shares as at the end of business hours on 24th August, 2016 as per the details furnished by the depositories for this purpose.”

3. To appoint a Director in place of Mr. P.D. Anto (DIN : 00106965), who retires by rotation and being eligible, offers himself for re-appointment

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

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

4. To appoint a Director in place of Dr. K.C. Vijayaraghavan (DIN : 00111953), who retires by rotation and being eligible, offers himself for re-appointment

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

“RESOLVED THAT Dr. K.C. Vijayaraghavan (DIN : 00111953), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

5. Ratification of Appointment of Auditors

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

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

SPECIAL BUSINESS

6. Approval for acceptance of Deposits from Public/Members

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

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

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

7. Approval of remuneration to Cost Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. A.R. Narayanan & Co, Cost Accountants, Cochin, (ICAI Firm Registration No. 101421) appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2017 be paid the remuneration of ₹ 1,75,000 plus service tax and out of pocket expenses.

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

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

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

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

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

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the appointment of Mr. A.P. George (DIN 00106808) as Executive Director of the Company for a period of three years from 1st October, 2015 to 30th September, 2018, for attending to the day to day functioning of the Company subject to the direction and control of the Managing Director and that he be paid following remuneration by way of salary, bonus, perquisites and allowances, during the period of his appointment, as approved by the Nomination and Remuneration Committee and thereafter by the Board of Directors in their respective meetings held on 22nd September, 2015:

a) Salary

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

b) Bonus

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

c) Gratuity

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

d) Contribution to funds

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

e) Benefits, Perquisites and Allowances

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

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

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

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

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

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 in respect of the Special Business set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote on a poll instead of himself and such a proxy need not be a member.
3. The instrument of proxy must be deposited with the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Members / Proxies are requested to bring duly filled Attendance Slip to attend the Meeting, along with their copy of Annual Report.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
7. Relevant documents referred to in the accompanying notice and the explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 will be available for inspection at the registered office of the Company during business hours on all working days up to the date of Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 25th August, 2016 to 31st August, 2016 (both days inclusive).
9. The dividend, if declared at the Annual General Meeting, would be paid/despached on or after 1st September, 2016 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 24th August, 2016 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode; and
 - (b) whose names appear as Members in the Register of Members of the Company as on 31st August, 2016 after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 24th August, 2016.
10. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to Investor Education and Protection Fund pursuant to Section 205 A of the Companies Act, 1956. It may be noted that no claim shall lie against the Company or the Investor Education and Protection Fund in respect of unclaimed dividend amount thus transferred to the said Fund. The members who have not encashed the dividend warrants for the final dividend for financial year ended 31st March 2009 onwards are requested to lodge their claim with the Company.
11. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends relating to the financial years from 2007-2008, as on the date of the 51st Annual General Meeting (AGM) held on 19th September, 2015, on the website of the IEPF (www.iepf.gov.in) and on the website of the Company at www.kselimited.com.
12. The members are requested to address all correspondences, including dividend matters and change in their addresses, to M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.

13. Members holding shares in the electronic mode are requested to approach their respective Depository Participants for effecting change of address and updation of bank account details.
14. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents of the Company, at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
15. Members have facility for dematerialising equity shares of the Company with National Securities Depository Ltd. and Central Depository Services (India) Ltd. The ISIN No. allotted to the Company is INE953E01014. Any member desirous of dematerialising his holding may do so through any of the Depository Participants.
16. Members may note that pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transferees as well as transferors of shares of the Company in physical form shall furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares.
17. Information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the directors seeking appointment / re-appointment at the AGM are furnished and forms part of the notice. The directors have furnished the requisite consents/ declarations for their appointment / re-appointment.

18. VOTING THROUGH ELECTRONIC AND PHYSICAL MEANS

The members holding shares of the Company, either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th August, 2016, will be eligible to cast their votes in any of the two modes mentioned below:

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

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

- (i) The voting period begins on 28th August, 2016 at 9.00 a.m. and ends on 30th August, 2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 30th August, 2016 at 5.00 p.m.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID.
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.