



KSE
LIMITED

55th

**ANNUAL
REPORT**
2018-2019



CIN : L15331KL1963PLC002028

Registered Office

Solvent Road, Irinjalakuda,
Kerala -680 121

Statutory Auditors

M/s. S. S. AYYAR & CO.,
Chartered Accountants
(Firm No. 050012 S)
Ajantha, Thirunakkara West,
Temple Road, Kottayam - 686 001

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 Saturday,
31st August, 2019 at 3.00 p.m.

Venue

Registered Office,
Solvent Road, Irinjalakuda - 680 121

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BOARD OF DIRECTORS

Chairman

Dr. Jose Paul Thaliyath

Managing Director

A. P. George

Executive Director

M. P. Jackson

Directors

P. D. Anto

Paul Francis

Joseph Xavier

Sathi A. Menon

Paul John

K.C. Pyarelal

Danesa Raghulal

Marykutty Varghese

Financial Highlights

	2018-2019	2017-2018
	₹ in Lakhs	₹ in Lakhs
Sales and other Income	121706.96	130936.40
Gross Profit (Profit before Depreciation and Finance costs)	2098.36	11337.22
Profit before tax	1462.85	10865.04
Profit for the year (after tax)	942.61	6962.71
Other Comprehensive Income (net of tax)	(29.94)	(88.40)
Total Comprehensive Income (after tax)	912.67	6874.31
Shareholders' Equity (Net worth)	12977.15	14379.14
Capital employed	13689.47	15039.43
	₹	₹
Shareholders' equity per share	405.54	449.35
Earnings per share of ₹ 10 each	29.46	217.58
Proposed Dividend	150%	600%



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

NOTICE OF THE 55TH ANNUAL GENERAL MEETING

Notice is hereby given that the 55th Annual General Meeting of KSE Limited, Irinjalakuda will be held at the Registered Office of the Company on Saturday, the 31st August, 2019 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. Adoption of Accounts for the year ended 31st March, 2019

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, 2019 including balance sheet as at 31st March, 2019 and the statement of profit and loss for the year ended 31st March, 2019 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 ₹ 15 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 ₹ 15 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, 2019 absorbing an amount of ₹ 5,78,66,541 (including dividend distribution tax and surcharge and cess thereon) and that the dividend of ₹ 15 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 30th May, 2019 be paid to those shareholders, whose names appear in the Company's register of members as on 31st August, 2019 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, 2019 as per the details furnished by the depositories for this purpose.”

3. Reappointment of Director, retiring by rotation, Mr. Paul Francis (DIN : 00382797)

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

“RESOLVED THAT Mr. Paul Francis (DIN : 00382797), 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, Dr. Pyarelal K.C. (DIN : 00923913)

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

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

SPECIAL BUSINESS

5. Appointment of Auditors in the casual vacancy

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 (8) of the Companies Act, 2013 ('the Act') and other applicable provisions of the Act, if any, 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, Thiruvanthapuram (ICAI Firm Registration No. 003978S) be and are hereby appointed as Statutory auditor of the company, to fill up the casual vacancy arising on the resignation of M/s. S. S. Ayyar & Co., Chartered Accountants, Kottayam (ICAI Firm Registration No. 050012 S) with effect from the conclusion of this Annual General Meeting, who shall hold the office as statutory auditor from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting 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.

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 and to file necessary E Forms with Ministry of Company Affairs.”

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 31st March, 2020 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. Appointment of Mr. A.P. George (DIN 00106808) as Managing Director

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 (including any amendment thereto or enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the appointment of Mr. A.P. George (DIN 00106808), who was appointed as Executive Director of the Company for a period of three years from 1st October, 2015, as Managing Director of the Company for the remaining period of his appointment, that is from 14th November, 2017 to 30th September, 2018 and also to the enhancement of his remuneration by way of salary, bonus, perquisites and allowances for the said period from 14th November, 2017 to 30th September, 2018 (both days inclusive), as follows, which is as approved by the Nomination and Remuneration Committee and by the Board of Directors of the Company in their respective meetings held on 14th November, 2017 and further on 13th September, 2018, after the special resolution moved in the Annual General Meeting held on 31st August, 2018 as Item 11 could not be passed with requisite majority of the votes polled but the votes cast in favour of the resolution exceeded the votes cast against the resolution, followed with the request of the Board for the approval of the Central Government for the said appointment, which is taken on record by the Ministry as communicated vide letter No. SRN H30393110/2/2018- CL-VII dated 10th April, 2019 by the Ministry of Corporate Affairs, New Delhi with a condition that the proposal shall be examined on receipt of a duly certified copy of members’ resolution passed in favour of the proposal :

a) Salary

₹ 2,30,000 (Rupees Two Lakhs 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 with in the overall limit under Schedule V to the Companies Act, 2013.

c) Gratuity

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

d) Contribution to funds

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

e) Benefits, Perquisites and Allowances

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

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

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

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

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

9. Reappointment of Mr. A.P. George (DIN 00106808), Managing 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, read with Schedule V to the Companies Act, 2013 (including any amendment thereto or enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Mr. A.P. George (DIN 00106808) as Managing Director of the Company for a period of three years from 1st October, 2018 to 30th September, 2021, on the terms and conditions of reappointment and remuneration as set out in the agreement of the reappointment submitted to the meeting and initialled by the Chairman for the purpose of identification and that he be paid following remuneration by way of salary, bonus, perquisites and allowances which is as approved by the Nomination and Remuneration Committee and by the Board of Directors of the Company in their respective meetings held on 30th May, 2018 and further on 13th September, 2018, after the special resolution moved in the Annual General Meeting held on 31st August, 2018 as Item 12 could not be passed with requisite majority of the votes polled but the votes cast in favour of the resolution exceeded the votes cast against the resolution, followed with the request of the Board for the approval of the Central Government for the said reappointment, which is taken on record by the Ministry as communicated vide letter No. SRN H30396725/2/2018- CL-VII dated 10th April, 2019 by the Ministry of Corporate Affairs, New Delhi with a condition that the proposal shall be examined on receipt of a duly certified copy of members' resolution passed in favour of the proposal :

a) Salary

₹ 2,80,000 (Rupees Two Lakhs Eighty Thousand only) per month with annual increment in the scale of ₹ 2,80,000-10,000-3,00,000.

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 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 01.10.2015.

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 Managing Director, he will be paid above remuneration as minimum remuneration, subject to the terms in Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactments thereof or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

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

RESOLVED FURTHER THAT Sri. A.P. George shall be a Director not liable to retire by rotation by virtue of clause 116 of the Articles of Association of the Company, while he continues to hold the post of Managing Director.

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

10. Posthumous retirement benefits to Late M.C. Paul (DIN 00105776)

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

"In terms of Sections 196, 197 read with Schedule V, 188, 202, 203 and other applicable provisions, if any, of the Companies Act, 2013, RESOLVED TO APPROVE the payment of ₹ 7,50,000 (Rupees Seven Lakhs Fifty Thousand only) to Mrs. Annie Paul, wife of Late M.C. Paul (DIN 00105776), which is equivalent to three month's last drawn salary of Late M.C. Paul, as Leave Salary and also to APPROVE the handing over of the Benz car with Registration No. KL-45M-2340 owned by the Company and being used by Late M.C. Paul for official purposes of the Company, purchased on 3rd July, 2015 for ₹ 71,29,717 and having a written down value of ₹ 18,80,469 as on 14th February, 2019, to Mrs. Annie Paul, wife of Late M.C. Paul as a reward from the Company for the selfless services rendered by Late M.C. Paul, who has retired as Managing Director of the Company as on 22nd October, 2017 and later expired on 13th February, 2018, towards the growth and development of the Company during the period of his association with the Company spanning over a period of 54 years."