

KSE

56th

ANNUAL REPORT
2019-2020





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,
15th 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

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



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

NOTICE OF THE 56TH ANNUAL GENERAL MEETING

Notice is hereby given that the 56th 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 15th 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 31st 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 31st March, 2020 including balance sheet as at 31st March, 2020 and the statement of profit and loss for the year ended 31st 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 31st 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 30th June, 2020 be paid to those shareholders, whose names appear in the Company’s register of members as on 15th 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 8th 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 61st 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 31st 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 1st October, 2019 till the expiry of his current term of appointment as on 11th February, 2021, as approved by the Nomination and Remuneration Committee and thereafter by the Board of Directors in their respective meetings held on 24th 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 1st October, 2019 to 30th September, 2022, as per the decision of the Board on the recommendation of the Nomination and Remuneration Committee in their respective meetings held on 24th 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 1st November, 2019 to 31st October, 2022, as per the decision of the Board on the recommendation of the Nomination and Remuneration Committee in their respective meetings held on 24th 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 1st November, 2019 to 31st October, 2022, as per the decision of the Board on the recommendation of the Nomination and Remuneration Committee in their respective meetings held on 24th October, 2019 in order to fill up the intermittent vacancy of the Independent Directors.”

Irinjalakuda
27th 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

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 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th 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, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of Central Depository Services Limited (CDSL) www.evotingindia.com
5. Relevant documents referred to in the accompanying notice and the explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 will be available for inspection at the registered office of the Company during business hours on all working days up to the date of Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 9th December, 2020 to 15th 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 15th December, 2020 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 8th 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 15th 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 by 8th 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 8th December, 2020 to green@skdc-consultants.com.
9. Pursuant to the Regulation 40 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.