





FORM A

**Format of covering letter of the annual audit report to be filed
with the stock exchanges**

1.	Name of the Company:	KSE Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	For KSE Limited
	<ul style="list-style-type: none"> Managing Director 	 M.C. Paul <i>Chairman and Managing Director</i>
	<ul style="list-style-type: none"> Chief Financial Officer 	For KSE Limited  R. Sankaranarayanan <i>Company Secretary cum General Manager (Finance)</i>
	<ul style="list-style-type: none"> Chairman, Audit Committee 	For KSE Limited  K.P. John Chairman, Audit Committee KSE Limited
	<ul style="list-style-type: none"> Auditor of the company 	For Varma & Varma (Firm No. 004532 S)  (C. Pankajakshan, M. No. 12948) Partner Chartered Accountants



...CELEBRATING...

50

*Golden
Years*

ANNUAL REPORT 2013-2014





CIN : L15331KL1963PLC002028

Registered Office

Solvent Road, Irinjalakuda,
Kerala -680 121

Auditors

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

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 Thursday,
25th September, 2014 at 3.00 p.m.

Venue

Registered Office,
Solvent Road, Irinjalakuda.

Chairman and Managing Director

M. C. Paul

Executive Director

P. K. Varghese

Director and Legal Advisor

A. P. George

Directors

K. P. John
P. D. Anto
Dr. K. C. Vijayaraghavan
John Francis K.
T. R. Ragulal
Dr. Jose Paul Thaliyath
Joseph Xavier

Chief General Manager

Anand Menon

Company Secretary-cum-General Manager (Finance)

R. Sankaranarayanan



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Financial Highlights

	2013-2014	2012-2013
	₹ in Lakhs	₹ in Lakhs
Sales and other income	80720.11	69825.89
Gross Profit (Profit before Depreciation and Finance costs)	2956.30	1401.84
Profit before tax	2343.87	666.09
Net profit after tax	1537.36	465.30
Shareholders' Equity (Net worth)	4858.09	4069.50
Capital employed	5702.41	4958.21
Gross fixed assets	8110.64	8078.29
	,	,
Shareholders' equity per share	151.82	127.17
Earnings per share of ₹ 10 each	48.04	14.54
Dividend rate	200%	100%



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

NOTICE OF THE MEETING

Notice is hereby given that the 50th Annual General Meeting of KSE Limited, Irinjalakuda will be held at the Registered Office of the Company on Thursday, the 25th September, 2014 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. Adoption of Accounts for the year ended 31st March, 2014

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, 2014 including balance sheet as at 31st March, 2014 and the statement of profit and loss for the year ended 31st March, 2014 together with the reports of the 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 final dividend of ₹ 20 per equity share on 32,00,000 equity shares of ₹ 10 each, as recommended by the Board, be and is hereby declared out of the profits of the Company for the year ended 31st March, 2014, absorbing an amount of ₹ 7,48,76,800 (including dividend distribution tax and cess thereon) and that the dividend be paid to those shareholders, whose names appear in the Company’s register of members as on 25th September, 2014 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 9th September, 2014 as per the details furnished by the depositories for this purpose.”

3. 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.”

4. 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.”

5. To appoint a Director in place of Mr. John Francis K. (DIN : 00107016), 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. John Francis K. (DIN : 00107016), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

6. 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 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Varma & Varma, Chartered Accountants (ICAI Firm Registration No. 004532 S), the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the fifty third AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM, held after this AGM), 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

7. 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 and the Rules made thereunder, read with Schedule-IV of the Companies Act, 2013, Mr. K.P. John (DIN: 00106897), a non-executive Independent Director of the Company 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. K.P. 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 for a period of five years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.”

8. 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 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013, Dr. Jose Paul Thaliyath (DIN: 01773031), a non-executive Independent Director of the Company 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 Dr. Jose Paul Thaliyath, 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 for a period of five years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.”

9. 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 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013, Mr. Joseph Xavier (DIN: 02943750), a non-executive Independent Director of the Company 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. Joseph Xavier, 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 for a period of five years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.”

10. 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 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013, Mrs. Sathi A. Menon (DIN: 06931857), 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 Mrs. Sathi A. Menon, who has submitted a declaration that she 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 for a period of five years from the conclusion of this Annual General Meeting and she is not liable to retire by rotation.”

11. 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, 2015 be paid the remuneration of ₹2,50,000 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.”

12. 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 a Special 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 there of 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.”

13. To approve Borrowing Limits of the Company

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

“RESOLVED that in supersession of the Resolution passed under Section 293(1)(d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 27th August, 2009 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (herein after referred to as the “Board”) for borrowing from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the sum of ₹150 crores (Rupees One Hundred and Fifty Crores only).”

“RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise how so ever as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required.”

14. To create Charges on the assets of the Company

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

“RESOLVED that in supersession of the Resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 27th August, 2009 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (here in after referred to as the “Board”) for creation of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, movable or immovable, where-ever situate, both present and future, whether paripassu with the existing charges or not, in such manner as the Board may direct, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the “Lending Agencies”), to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding ₹150 crores (Rupees One Hundred and Fifty Crores only) together with interest thereon at the agreed

rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds, etc. entered/to be entered into by the Company in respect of the said borrowings.”

“RESOLVED FURTHER that the Board be and is hereby severally authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

15. Reappointment of Managing 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 there to or enactment there of for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956), the consent of the Company be and is hereby accorded to the reappointment of Mr. M.C. Paul (DIN 00105776) as Managing Director of the Company for a period of three years from 23rd October, 2014 to 22nd October, 2017 on the terms and conditions of reappointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initialed by the Chairman for the purpose of identification and that he be paid following remuneration by way of salary, bonus, perquisites and allowances as approved by the Board of Directors of the Company and the Nomination and Remuneration Committee:

a) Salary

₹ 2,00,000 (Rupees Two Lakhs only) per month with annual increment in the scale of ₹ 2,00,000 -10,000 -2,20,000.

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, 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 will not be included in the computation of the ceiling on perquisites 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 the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorised to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. M.C. Paul.”

“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 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.”

16. Alteration of Articles of Association

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

“RESOLVED that pursuant to the provisions of Sec.14 of the Companies Act, 2013 (hereinafter in this resolution referred to as “the Act”), existing Articles 78, 80, 102 and 110 of the Articles of Association of the Company be and are hereby deleted and in its place the following Articles shall be substituted:

Quorum	78. No business shall be transacted at any general meeting unless a quorum of members as provided in Section 103 of the Companies Act, 2013 is present at the time when the meeting proceeds to business. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of members, shall stand dissolved; but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day, time and place as the Board may determine. If at such adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting any two members who are personally present shall be a quorum and may transact the business for which the meeting was called. No notice of the adjourned meeting need be given to the members.
Chairman	80. (a) The Board shall have the power to appoint one among them, including Managing Director or any Executive Director, as the Chairman of the Board. (b) The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act as chairman, the directors present shall elect one among them to be the chairman of that meeting and if no director present be willing to take the chair, the members present shall choose one among them to be the chairman of that meeting. (c) If a poll is demanded in the election of the chairman, the chairman elected on a show of hands shall exercise all the powers of the chairman and if some other person is elected chairman as a result of the poll, he shall be the chairman for the rest of the meeting.
Number of Directors	102. The number of Directors shall not be less than three and, until otherwise determined by the Company by Special Resolution in general meeting, shall not be more than fifteen including directors nominated by Government, Bank, Financial Institutions or any other person to represent its interest.
Share qualifications	110. The Directors including the nominee directors and independent directors shall not be required to hold any qualification shares.

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 10th September, 2014 to 25th September, 2014 (both days inclusive).
9. The dividend, if declared at the Annual General Meeting, would be paid/despatched on or after 25th September, 2014 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 9th September, 2014 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 25th September, 2014 after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 9th September, 2014.
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 2007 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 in respect of the financial years from 2006, as on the date of the 49th Annual General Meeting (AGM) held on 31st July, 2013, 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 MEANS

Instructions to Members for e-voting are as under:

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, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 50th Annual General Meeting scheduled to be held on Thursday, the 25th September, 2014 at 3.00 p.m. by electronic means and the business may be transacted through e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below.

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 Postal Ballot Form is annexed. A member desiring to exercise vote by postal ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr. Sathish V., Scrutinizer - Postal Ballot Voting Process, KSE Limited, Solvent Road, Irinjalakuda – 680121, Thrissur Dt., Kerala so as to reach him on or before 20th September, 2014 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 postal ballot or through e-voting. However, in case of Members casting their vote both by postal ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 18th September, 2014 at 9.00 a.m. and ends on 20th September, 2014 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 14th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 20th September, 2014 at 5.00 p.m.
- (ii) The shareholders should log on to the e-voting website <https://evotingindia.co.in> during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT".
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the 10 digits sequence number given in the Attendance Slip cum Postal Ballot Form, in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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 also used by the demat holders 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the "KSE Limited" with EVSN of the Company on which you choose to vote.

- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the 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.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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.
 - After receiving the login details they have to create a compliance user who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to 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 you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Irinjalakuda
24-07-2014

By Order of the Board
For KSE Limited

REGISTERED OFFICE
Solvent Road, Irinjalakuda – 680121
Thrissur – KERALA.

Sd/-
R.Sankaranarayanan
Company Secretary-cum-General Manager (Finance)

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

Item 7 - Appointment of Independent Director

Shri K.P. John, hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He is also engaged in cashew business. He has joined as director of the Company with effect from 15.04.1969 and is servicing the Company with his vast experience. He is acting as the Chairman of the Audit Committee of the Company with effect from 28.09.2002 and that of the Remuneration Committee with effect from 1st September, 2007. He was past Governor of District 324 E of Lions Club. He was Chairman of Irinjalakuda Municipality for six years.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 along with the requisite deposit amount from a member signifying the intention to propose his candidature to the office of director of the Company.

In the opinion of the Board, Mr. K. P. John fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the listing agreement and he is independent of the management.

Copy of the draft letter for appointment of Mr. K. P. John as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges. Information about Mr. K. P. John, in accordance with clause 49 of the listing agreement is attached.

Mr. K. P. John is interested in the resolution. None of the other directors and key managerial personnel of the Company and their relatives are concerned or interested in this resolution, financial or otherwise. Your directors commend the resolution for adoption.

Item 8 - Appointment of Independent Director

Dr. Jose Paul Thaliyath, is having post graduate degree in Anaesthesiology and is presently serving as Consultant Anaesthesiologist in a leading private hospital. He hails from a respectable business family of Irinjalakuda, reputed for their expertise in oil milling and cashew processing and he is having immense knowledge in those industries. He has joined as a Director of the Company effective from 01.09.2007. He is further acting as member of Remuneration Committee of the Company with effect from that date. He is acting as member of Audit Committee of the Company with effect from 29.12.2009. He had also acted as member of the Shareholders'/Investors' Grievance Committee of the Company from 28.08.2008 to 29.12.2009.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 along with the requisite deposit amount from a member signifying the intention to propose his candidature to the office of Director of the Company.

In the opinion of the Board, Dr. Jose Paul Thaliyath fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the listing agreement and he is independent of the management.

Copy of the draft letter for appointment of Dr. Jose Paul Thaliyath as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges. Information about Dr. Jose Paul Thaliyath, in accordance with clause 49 of the listing agreement is attached.

Dr. Jose Paul Thaliyath is interested in the resolution. None of the other directors and key managerial personnel of the Company and their relatives are concerned or interested in this resolution, financial or otherwise. Your directors commend the resolution for adoption.

Item 9 - Appointment of Independent Director

Mr. Joseph Xavier hails from a business family engaged in oil milling, construction and plantations. He is a Post Graduate in Economics and has experience in trading and manufacturing for over 20 years. He is also a member of the Shareholders'/Investors Grievance Committee of the Company with effect from 29th July, 2010.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 along with the requisite deposit amount from a member signifying the intention to propose his candidature to the office of Director of the Company.

In the opinion of the Board, Mr. Joseph Xavier fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the listing agreement and he is independent of the management.

Copy of the draft letter for appointment of Mr. Joseph Xavier as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges. Information about Mr. Joseph Xavier, in accordance with clause 49 of the listing agreement is attached.

Mr. Joseph Xavier is interested in the resolution. None of the other directors and key managerial personnel of the Company and their relatives are concerned or interested in this resolution, financial or otherwise. Your directors commend the resolution for adoption.

Item 10 - Appointment of Independent Director

Mrs. Sathi A. Menon, aged 50 is a practicing chartered accountant and a partner in M/s. Sukumara Menon, Venugopalan & Sathi, Chartered Accountants, Thrissur with wide knowledge in taxation and financial reporting.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 along with the requisite deposit amount from a member signifying the intention to propose her candidature to the office of Director of the Company.

In the opinion of the Board, Mrs. Sathi A. Menon fulfils the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013 and the listing agreement and she is independent of the management.

Copy of the draft letter for appointment of Mrs. Sathi A. Menon as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges. Information about Mrs. Sathi A. Menon, in accordance with clause 49 of the listing agreement is attached.

None of the directors and key managerial personnel of the Company and their relatives are concerned or interested in this resolution, financial or otherwise. Your directors commend the resolution for adoption.

Item 11 - 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 on March 31, 2015 on a remuneration of ₹ 2,50,000 plus service tax 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.11 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2015.

None of the directors and key managerial personnel of the Company and their relatives are concerned or interested in this resolution, financial or otherwise. Your directors commend the resolution for adoption.

Item 12 - Approval for acceptance of Deposits from Public/Members

The Company has a Fixed Deposit Scheme, pursuant to the provisions of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975, wherein it accepted/renewed unsecured deposits from the Members of the Company and from public.

Vide Notification dated 26th March, 2014, the Ministry of Corporate Affairs ("MCA") notified Sections 73, 74(1) and 76 of the Companies Act, 2013 ("the Act") relating to the acceptance of Deposits by companies from its Members and from public, to take effect from 1st April, 2014. The Companies (Acceptance of Deposits) Rules, 2014 ("the Rules") also came into force on 1st April, 2014.

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 prior 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.

The Act prescribes that any company inviting/accepting/renewing deposits would have to obtain credit rating from recognised credit rating agency. The Company has obtained credit rating for its fixed deposit scheme from a recognised Credit Rating Agency and will inform the public about the rating given prior to inviting deposits from the Public. The Company will also be taking deposit insurance towards the unsecured deposits as provided in the Act and in the Rules.

Since the Act and the Rules would be applicable to the existing fixed deposit scheme of the Company, it would be necessary to comply with the Act and the Rules before making fresh invitation for deposits from the Members and the public.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 12 of the Notice. This Resolution enables the Board of Directors of the Company to accept/renew deposits from the Members and public upto 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. 12 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 recommends the Special Resolution set out at Item No. 12 of the Notice for approval by the Members.

Item 13 - To approve Borrowing Limits of the Company

The Company, at its Annual General Meeting held on 27th August, 2009, authorized the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to borrow for the purpose of the Company moneys in excess of the paid-up capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed ₹ 90 Crores.

However, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (the 'Act'), since notified, the Board can exercise such borrowing powers only with the approval of Members of the Company by way of Special Resolution. Keeping in view the company's business requirements and growth plans, it is considered to increase the said borrowing limit from ₹ 90 crores to ₹ 150 crores. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are concerned or interested in the proposed resolution. Your directors commend the resolution for adoption.

Item 14 - To create Charges on the assets of the Company

The Company, at its Annual General Meeting held on 27th August, 2009, authorized the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure the financial assistance not exceeding ₹ 90 crores as mentioned in the above Resolution.

However, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the 'Act'), since notified, the Board can exercise such power to create mortgage and/or charge on the immovable and movable properties of the Company, only with the approval of Members of the Company by way of Special Resolution. Keeping in view the company's business requirements and growth plans, it is considered to increase the said borrowing limit from ₹ 90 crores to ₹ 150 crores. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are concerned or interested in the proposed resolution. Your directors commend the resolution for adoption.

Item 15 - Reappointment of Managing Director

Shri M.C. Paul is a Promoter Director and is actively associated with the development of the Company from its inception. He was appointed as Whole-time Director with effect from 23.10.1976 and later on as Executive Director with effect from 23.10.1977. Later on he was appointed as Managing Director of the Company with effect from 01.11.1994 and still continues as Managing Director of the Company. During his tenure as Managing Director, the business of the Company grew substantially registering steady growth in terms of turnover, profits and reserves and the Company won the National Productivity Award consecutively for ten years from 1996-97 to 2005-06 for the best productivity performance in the category of Animal Feed Processing Industry and is receiving the SEA Award for highest processor of copra cake in India for 23 years consecutively from the inception of the Award.

The present term of appointment of Shri M.C. Paul as Managing Director of the Company expires on 22nd October, 2014. Your Directors are desirous that his valuable services may be continued to be utilised for the benefit of the Company. Accordingly the Board commend the appointment of Mr. M.C. Paul as Managing Director of the Company for a further period of three years on a remuneration, benefits, allowances and perquisites as set forth in the resolution. The Draft Agreement to be entered into with Mr. M.C. Paul for appointment as Managing Director is available for inspection of members at the Registered Office on all working days between 11.00 A.M. and 1.00 P.M. up to the date of Annual General Meeting.

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 2013-14	₹ in Lakhs
		Total Revenue – Sales and Other Income	80,720.11
		Profit Before Income tax	2,343.87
		Tax Expenses	806.51
		Net Profit after Tax	1,537.36
		Net worth	4,858.09
5.	Foreign investments or collaborations	Nil	
II INFORMATION ABOUT APPOINTEE			
1.	Back Ground Details	As narrated above	
2.	Past Remuneration	For financial year 2013-14 ₹ 27.68 lakhs	
3.	Recognition or awards	a. Business Deepika - "Business Man of Kerala 1996".	
		b. Best Manager award by Trichur Management Association for 1997-98.	
		c. Excellence in management of food processing industries given by Thrissur Chapter of Association of Food Scientists and Technologists (India), an association of Veterinary Scientists and Dairy Technologists.	
		d. Thanks Badge award, a national award by "The Bharat Scouts & Guides".	
		e. Life Time Achievement Award constituted by ASSOCHAM, Trichur.	
		f. Business Acharya Award 2014 from Rashtra Deepika.	
		g. Life time achievement Award 2014 from Trichur Management Association.	
4.	Job Profile and his suitability	Overall management of the Company. Given his experience, Mr. M.C. Paul 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, the details of pecuniary relationships of Mr. M.C. Paul and his relatives and concerns in which they are interested for the year 2013-14 are: Purchase of materials and service from MC Paul and Sons and MCP Rose Super Market P Ltd. ₹1.66 lakhs and Sales of products to Emceeppee Traders and Emceeppee Agencies and MCP Rose Super Market P. Ltd. ₹72.35 lakhs. Deposits of relatives under Fixed Deposit Scheme of the Company outstanding as on 31.03.2014 ₹71.22 lakhs and interest paid during year 2013-14 ₹7.48 lakhs.
III	OTHER INFORMATION	
1.	Reasons of loss or inadequate profits	Not applicable, as the Company has earned a net profit after tax of ₹1,537.36 Lakhs during the year ended 31 st March, 2014.
2.	Steps taken or proposed to be taken for improvement	Not Applicable
3.	Expected increase in productivity and profits in measurable terms	Not Applicable

Mr. M.C. Paul 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 appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr. M.C. Paul is aged above 70 years. Board is of the opinion that his reappointment is properly justified, considering his contributions in the growth of the Company as explained above, and in terms of the Provision to Section 196 (6) (a) of the Companies Act, 2013 a special resolution for his appointment is proposed.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges. Further information about Mr. M.C. Paul, in accordance with clause 49 of the listing agreement is attached.

None of the Directors and Key Managerial Personnel and their relatives of the Company except Mr. M.C. Paul, to the extent of remuneration payable to him, is concerned or interested, financial or otherwise, in the above resolution.

Your directors commend the resolution for adoption.

Item 16 - Alteration of Articles of Association

Consequent to the introduction of the Companies Act, 2013 certain articles of the existing Articles of Association requires to be modified. The Board of Directors recommend to amend existing Articles 78, 80, 102 and 110 of the Articles of Association of the Company to be in tune with the Companies Act, 2013.

None of the Directors and Key Managerial Personnel and their relatives of the Company is concerned or interested, financial or otherwise, in the above resolution.

Your directors commend the resolution for adoption.

Irinjalakuda
24-07-2014

By Order of the Board
For KSE Limited

REGISTERED OFFICE
Solvent Road, Irinjalakuda – 680121
Thrissur – KERALA.

Sd/-
R.Sankaranarayanan
Company Secretary-cum-General Manager (Finance)

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

Resolution No.	Item 7	Item 8	Item 9	Item 10
Name of Directors	Mr. K.P. John	Dr. Jose Paul Thaliyath	Mr. Joseph Xavier	Mrs. Sathi A. Menon
Date of Birth	26/12/1926	22/07/1951	24/12/1964	17/01/1964
Date of Appointment	15/04/1969	01/09/2007	29/01/2010	25/09/2014 on approval at AGM
Qualification	M.A., L.L.B.	MBBS, D.A., M.D.	M.A.(Economics)	B.Com, FCA
Experience	Hails from a respectable business family of Irinjalakuda engaged primarily in oil milling and cashew industry. He is acting as the Chairman of the Audit Committee of the Company with effect from 28.09.2002 and that of the Remuneration Committee with effect from 1st September, 2007.	Presently serving as Consultant Anaesthesiologist in a leading private hospital. He hails from a respectable business family of Irinjalakuda, reputed for their expertise in oil milling and cashew processing and he is having immense knowledge in those industries.	Hails from a business family engaged in oil milling, construction and plantations.	Practicing chartered accountant from 1991 and presently a partner in M/s. Sukumara Menon, Venugopalan & Sathi, Chartered Accountants, Thrissur with wide knowledge in taxation and financial reporting.
Directorships held in other Public Limited companies	Nil	Nil	Nil	Nil
Memberships/Chairmanships of committees of other Public Limited companies	Nil	Nil	Nil	Nil
Number of shares held in the Company as on 31.03.2014	10260	27117	17288	Nil

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

Resolution No.	Item 3	Item 4	Item 5	Item 15
Name of Directors	Dr. K.C. Vijayaraghavan	Mr. P.D. Anto	Mr. John Francis K.	Mr. M.C. Paul
Date of Birth	30/11/1956	05/05/1950	18/02/1957	21/05/1924
Date of Appointment	30/04/1990	29/03/1989	01/11/1994	25/09/1963
Qualification	MBBS, MD (Paediatrics), DCH	SSLC	PDC	Matriculation
Experience	Hails from a leading business family of Thrissur. He joined the Board of Directors of the Company on 30.04.1990 and is also a member of the Audit Committee effective from 28.09.2002. He is a Paediatrician by profession with a Post Graduate Degree in Paediatrics from University of Bombay (Grant Medical College and J.J. Group of Hospitals, Bombay). At present he is working as a Consultant Child Specialist at Elite Mission Hospital, Trichur in which he is also a partner.	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 Shareholders/ Investors Grievance Committee of the Company with effect from 28.09.2002 and that of Remuneration Committee with effect from 1st September, 2007.	Hails from a respectable business family of Irinjalakuda engaged primarily in oil mill industry. He has gained good experience in oil milling through his family business. He has joined as Director of the Company with effect from 1.11.1994 and is servicing the Company as Director from that date. He is also acting as a member of the Shareholders'/ Investors' Grievance Committee of the Company with effect from 28.09.2002.	One of the Promoter Directors and is actively associated with the development of the Company from its inception as Director, Whole-time Director, Executive Director and then as Managing Director of the Company. As an expert in management of people, he is active in labour negotiations and tackles the labour Unions efficiently and takes care of the well-being of the employees. Was Municipal Chairman and is an active member in various associations in the locality.
Directorships held in other Public Limited companies	Nil	Nil	Nil	Nil
Memberships / Chairmanships of committees of other Public Limited companies	Nil	Nil	Nil	Nil
Number of shares held in the Company as on 31.03.2014	45795	2800	18120	37238

DIRECTORS' REPORT

Your Directors are pleased to present the 50th Annual Report and the audited accounts for the financial year ended 31st March 2014.

Financial Highlights

(₹ in lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Profit before Finance costs, Depreciation and amortisation expenses and Tax expenses	2,956.30	1,401.84
Less : Finance Costs	236.66	313.65
Depreciation and amortisation expenses	375.77	422.10
Tax expenses	806.51	200.79
Profit after tax for the current year	1,418.94	<u>936.54</u>
Opening balance of Surplus	1,537.36	465.30
	251.11	<u>260.19</u>
	1,788.47	725.49
Appropriations:		
Transfer to General Reserve	700.00	100.00
Dividend	640.00	320.00
Dividend distribution tax	108.77	54.38
	1,448.77	<u>474.38</u>
Closing balance of Surplus	339.70	<u>251.11</u>

Dividend

To celebrate the Golden Jubilee of the Company and also considering the profits for the current year, your Directors recommend a dividend of 200% (₹ 20.00 per share of ₹ 10 each) for the year ended 31st March, 2014 which, if approved at the ensuing annual general meeting, will be paid to those members whose names appear in the Register of Members of the Company as on 25.09.2014. In respect of shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours as on 09.09.2014.

Operations

The over-all profit after tax is ₹ 1537.36 lakhs in year 2013-14 compared to ₹ 465.30 lakhs in the previous year. The turnover of the Company improved by 16% from ₹ 697 crores to ₹ 806 crores during the year ended 31st March, 2014.

During the second half of 2013-14, large numbers of cattle were affected by wide spread disease which resulted in a drop of aggregate demand for cattle feed in Kerala and Tamil Nadu. This in turn had an impact on our expected volume of growth in sales. However, we could maintain the previous year volume through excellent quality of the product and effective after sales service. Cattle feed sales volume improved marginally from 3.99 lakhs tonnes to 4.01 lakhs tonnes in the same period. There was abnormal increase in the price of raw materials for cattle feed in the first half of the year and we had managed to avoid loss during that period by revising the selling price of feed suitably. In the second half of the year the ingredient prices had eased and we could generate good margins. The Animal feed division generated a profit of ₹ 1701.50 lakhs against ₹ 882.03 lakhs in the previous year.

The volume of cake processing had decreased from 73,000 tonnes in the previous year to 64,000 tonnes in the year under report. The copra cake was not available in sufficient quantity and we could not fall back on imports due to lack of price parity. However, the increase in the market price of coconut oil helped us to improve the profitability of cake processing division. The cake processing division reported in year 2012-13 a loss of ₹ 46.88 lakhs and this year we reported a profit of ₹ 784.44 lakhs in that Division.

In the Dairy division, the volume of sale of ice cream improved to 1123 kl. against 967 kl. in the previous year, registering a growth of 14%. The profit of Dairy division for the year 2013-14 is ₹ 159.69 lakhs, which was at ₹ 163.96 lakhs in the previous year. There was an advantage for us on the difference in milk procurement price in Kerala and Tamil Nadu. Off late the gap between the two price has narrowed to almost nil and this may affect the profitability of the Dairy division as a whole in year 2014-15 unless there is upward correction in the selling price of milk.

After the downward trend, the ingredient prices is going up in the current year. We are having good demand for our cattle feed and are hopeful of suitable correction of selling price in tune with ingredient prices. We do not expect further reduction in the cost of cattle feed ingredients in the immediate future. We firmly believe that the sales volume of cattle feed will further improve in the current financial year. We expect to better our performance in Animal feed division, by optimising the feed formulation and making suitable adjustments in the selling prices to match the ingredient prices.

Since there is shortage in the availability of copra cake locally, we have made arrangements for import of copra cake to adjust the shortage of local supply. The market price of coconut oil is above ₹ 150/kg. The price of coconut oil, if continues on the higher side, will improve our margins and we are hopeful of a better performance of Cake Processing Division.

We are taking all steps to improve the market for ice cream by appointing new dealers in untapped areas to improve the volume of sales and thereby utilise more of the unused production capacity. We expect to improve the volume of sale of ice cream and thereby better the margins of Dairy division in the current year.

More information relating to the operations of the Company has been furnished in the Management Discussion and Analysis Report, as per Clause 49 of the Listing Agreement.

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 2012-13. This Award is being received by the Company for the past 23 years consecutively since the inception of the award.

Directors

Shri. K.C. Vijayaraghavan, Shri P.D. Anto and Shri John Francis K. will retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment. The Board commend the appointment of Shri K.P. John, Shri Jose Paul Thaliyath and Shri Joseph Xavier, the existing independent directors of the Company, as per Section 149 of Companies Act, 2013.

Board also commend the appointment of Mrs. Sathi A. Menon, a practicing chartered accountant, as Independent Director of the Company. With her appointment in the Board, the requirement of a woman director in the Board as per Section 149 of Companies Act, 2013 will also be complied with.

Directors' Responsibility

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) accounting policies have been selected and applied 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 the Company at the end of the financial year and of the profit of the Company for that year.
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the annual accounts have been prepared on a going concern basis.

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.

Auditors

M/s. Varma & Varma, Chartered Accountants will retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

With the prior approval of Central Government, M/s. A. R. Narayanan & Co., Cost Accountants, Ernakulam have been appointed as Cost Auditors for the financial year 2013-14 and they will be submitting their Cost Audit Report with in the time limit stipulated.

Disclosure of Particulars

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure 'A' forming part of this report.

Particulars of employees

As there are no employees who are drawing the specified remuneration, particulars of employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not given.

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/-

M.C. Paul

Chairman and Managing Director

Irinjalakuda
May 29, 2014

Annexure A to the Directors' Report

Additional information as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A) Conservation of Energy

Every effort has been taken to utilise the energy most efficiently and judiciously.

The total energy consumption and energy consumption per unit as per Form A in respect of Dairy Division is given below:

FORM A

Form for disclosure of particulars with respect to conservation of energy

	KONIKKARA UNIT		THALAYUTHU UNIT		VEDAGIRI UNIT
	Milk	Ice Cream	Milk	Ice Cream	Ice cream
A. Power and Fuel consumption					
Electricity					
(a) Purchased					
Unit (Kwh)	4,30,817 (4,17,748)	3,34,987 (3,49,938)	1,80,415 (1,17,322)	93,368 (81,452)	1,28,940 (1,33,483)
Total Amount (₹ in lakhs)	24.22 (21.37)	18.83 (17.92)	12.78 (8.79)	6.62 (6.10)	7.37 (6.93)
Rate/unit (₹ /Kwh)	5.62 (5.12)	5.62 (5.12)	7.09 (7.49)	7.09 (7.49)	5.71 (5.19)
(b) Own Generation- Diesel Genset					
Unit (Kwh)	36,754 (39,659)	28,578 (33,221)	15,386 (51,418)	7,962 (35,698)	7,920 (6,342)
Unit (Kwh) / Litre of Diesel	2.87 (2.76)	2.87 (2.76)	3.33 (3.28)	3.33 (3.28)	2.18 (1.65)
Cost/Unit (₹ /Kwh)	20.48 (18.64)	20.48 (18.64)	17.96 (15.98)	17.96 (15.98)	26.99 (30.69)
B. Consumption per Unit of Production					
Electricity					
(a) Production / Processing (KL)	4,397 (4,523)	693 (656)	3,608 (3,906)	279 (190)	151 (120)
Consumption per KL (Kwh)	106.33 (101.13)	524.62 (584.08)	54.27 (43.20)	363.19 (616.58)	906.36 (1165.21)

Note : Figures in bracket denotes the corresponding figures for the previous year.

B) Technology Absorption

During the year under review there was no major technology absorption undertaken by the Company.

C) Foreign Exchange Earnings and Outgo

	2013-2014 ₹ in lakhs	2012-2013 ₹ in lakhs
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	1,708.03	914.74

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 ten Directors. Two of them, Managing Director and Executive Director, are Whole-time Executive Directors. The Managing Director himself is the Chairman of 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 five Directors as its members is functioning to assist the Board, which is regularly meeting, twice in a 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.

During the year 2013-2014, the Board met 12 times, on 07/05/2013, 29/05/2013, 04/07/2013, 31/07/2013, 29/08/2013, 30/09/2013, 30/10/2013, 12/11/2013, 27/12/2013, 12/02/2014, 06/03/2014 and 31/03/2014.

The details of members of the Board, number of equity shares of the Company held by them as on 31.03.2014, number of Board Meetings attended by them during the financial year 2013-14, details as to their attendance in the last AGM, details of other directorships, etc. are given hereunder:

Sl. No.	Name	Category of Director	No. of shares held	No. of Board Meetings attended	Attendance at last AGM held on 31.07.2013	No. of other Directorships*		Committee Memberships	
						Director	Chairman	Member	Chairman
1.	Mr. M.C. Paul Chairman and Managing Director	Executive	37,238	12	Present	—	—	—	—
2.	Mr. P.K. Varghese Executive Director	Executive	9,522	11	Present	—	—	—	—
3.	Mr. A.P. George Director and Legal Advisor	Non-Executive	58,561	12	Present	1	—	—	—
4.	Mr. K.P. John Director	Non-Executive Independent	10,260	11	Present	—	—	—	—
5.	Dr. K.C. Vijayaraghavan Director	Non-Executive Independent	45,795	12	Present	—	—	—	—
6.	Mr. T.R. Ragulal Director	Non-Executive Independent	28,208	6	Present	—	—	—	—
7.	Mr. P.D. Anto Director	Non-Executive Independent	2,800	12	Present	—	—	—	—
8.	Mr. John Francis K. Director	Non-Executive	18,120	12	Present	—	—	—	—
9.	Dr. Jose Paul Thaliyath Director	Non-Executive Independent	27,117	12	Present	—	—	—	—
10.	Mr. Joseph Xavier Director	Non-Executive Independent	17,288	10	Present	—	—	—	—

* For the above, only Directorships in Public Limited Companies are taken into consideration.

3. Audit Committee

Audit Committee, constituted in accordance with Clause 49 of the Listing Agreement, is empowered as per the requirements of that Clause. The Audit Committee is formed with three independent non-executive Directors as its members under the chairmanship of Mr. K.P. John. The other two members of the Audit Committee are Dr. K.C. Vijayaraghavan and Dr. Jose Paul Thaliyath. The Audit Committee had met four times in the year 2013-14 and the attendance of each member of the Committee was as follows:

Date of Meeting	Members		
	Mr. K.P. John	Dr. K.C. Vijayaraghavan	Dr. Jose Paul Thaliyath
27/05/2013	Present	Present	Present
29/07/2013	Present	Present	Present
11/11/2013	Present	Present	Present
10/02/2014	Present	Present	Present

The broad terms of reference for the Audit Committee are as follows:

- 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 of Company's financial and risk management policies

4. Remuneration Committee

Remuneration Committee is constituted with Mr. K.P. John, Mr. P.D. Anto and Dr. Jose Paul Thaliyath as its members under the chairmanship of Mr. K.P. John. During the year 2013-14 Remuneration Committee had met once on 16/05/2013. The broad terms of reference for the Remuneration Committee is to determine, on behalf of Directors and on behalf of the shareholders, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. The Remuneration Committee while approving the remuneration, takes into account financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc. and brings about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders. The non-executive directors are paid sitting fees for meetings of the Board or any Committee thereof attended by them. The details of remuneration to the Directors for the year 2013-14 are as follows:

		Salary and allowances ₹ in lakhs	Other Benefits ₹ in lakhs	Professional fees ₹ in lakhs	Sitting fees ₹ in lakhs	Total ₹ in lakhs
1. Mr. M.C. Paul	Chairman and Managing Director	27.63	0.05			27.68
2. Mr. P.K. Varghese	Executive Director	15.80	1.71			17.51
3. Mr. A.P. George	Director and Legal Advisor			2.24	2.17	4.41
4. Mr. K.P. John	Director				1.65	1.65
5. Dr. K.C. Vijayaraghavan	Director				0.98	0.98
6. Mr. T.R. Ragulal	Director				0.45	0.45
7. Mr. P.D. Anto	Director				1.86	1.86
8. Mr. John Francis K.	Director				0.98	0.98
9. Dr. Jose Paul Thaliyath	Director				1.01	1.01
10. Mr. Joseph Xavier	Director				0.80	0.80

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

5. Shareholders' / Investors' Grievance Committee

Shareholders'/Investors'Grievance Committee constituted as per Clause 49 of the Listing Agreement is having Mr. A.P. George as Chairman and Mr. P.D. Anto, Mr. John Francis K., Mr. T. R. Ragulal and Mr. Joseph Xavier as other members of the Committee. All the Directors who are members of this Committee are non-executive. Mr. R. Sankaranarayanan, Company Secretary-Cum-General Manager (Finance) has been designated as the Compliance Officer. During the year 2013-14, two complaints were received from shareholders and the complaints received were redressed. No complaint/query was pending reply and no share transfer was pending for registration. The Shareholders'/ Investors' Grievance Committee had met four times in the year 2013-14 and it was attended as follows:

Date of Meeting	Members				
	Mr. A.P. George	Mr. P.D. Anto	Mr. T.R. Ragulal	Mr. John Francis K.	Mr. Joseph Xavier
29/05/2013	Present	Present	—	Present	—
31/07/2013	Present	Present	Present	Present	Present
30/10/2013	Present	Present	—	Present	Present
12/02/2014	Present	Present	—	Present	Present

6. General Body Meetings

The location and time where last three AGMs were held is given below:

Name of Meeting	Date and Time	Venue
47th Annual General Meeting	28 th July, 2011 at 3.00 p.m.	KSE Limited, Registered Office, Solvent Road, Irinjalakuda - 680 121
48th Annual General Meeting	31 st July, 2012 at 3.00 p.m.	
49 th Annual General Meeting	31 st July, 2013 at 3.00 p.m.	

In the 47th Annual General Meeting held on 28th July, 2011 special resolutions were passed for (1) reappointment and remuneration of Mr. M.C. Paul as Managing Director of the Company (2) enhancement of remuneration of Mr. P.K. Varghese, Executive Director and (3) enhancement of professional fee of Mr. A.P. George, Director and Legal Advisor of the Company.

In the 48th Annual General Meeting held on 31st July, 2012 special resolutions were passed for (1) reappointment and remuneration of Mr. P.K. Varghese as Executive Director of the Company and (2) reappointment and fixation of professional fee of Mr. A.P. George as Director and Legal Advisor of the Company.

In the 49th Annual General Meeting held on 31st July, 2013 special resolutions were passed for (1) enhancement of remuneration of Mr. M.C. Paul as Managing Director of the Company (2) enhancement of remuneration of Mr. P.K. Varghese, Executive Director and (3) enhancement of professional fee of Mr. A.P. George, Director and Legal Advisor of the Company.

No special resolution was put through postal ballot in the previous years. For the ensuing annual general meeting, in terms of Clause 35B of the Listing Agreement, in addition to the facility of e-voting, facility of postal ballot also is provided for all resolutions to be passed in the meeting.

7. Disclosures

- i) **Related party transactions:** The transactions of purchase of raw materials, mainly coconut oil cake and cattle feed ingredients from concerns in which few executive and 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 covered under related party transactions were fair, transparent and at arms 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 Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given under Note No. 29.8 of Notes to the Annual Accounts.

- ii) **Disclosure of Accounting Treatment:** In the preparation of financial statements, the accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 are complied with, and the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- iii) **Details of Non-compliance:** No penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any authority on any matter related to capital markets during the last three years.
- iv) **Whistle Blower Policy:** Though the Company has not implemented any formal Whistle Blower Policy, no personnel has been denied access to the Audit Committee of the Company.
- v) **Compliance of mandatory and non-mandatory requirements:** The Company has implemented all mandatory requirements of Clause 49 of the Listing Agreement. The Company has complied with the non-mandatory requirement as regards unqualified financial statements, Remuneration Committee and compliance of all the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time. The Company has not complied with the other non-mandatory requirements.

8. Code of Conduct

The Board approved the Code of Conduct applicable to the Board Members and the Senior Management Personnel of the Company at its meeting held on 29.12.2005. The code has been posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code and a declaration to this effect signed by the CEO is annexed to this Report.

9. Means of Communication

Regularly the Company is publishing quarterly unaudited results and notices in 'Business Line' English daily and 'Mathrubhumi' Malayalam daily. The Company has posted the latest quarterly results in the Company's website www.kselimited.com.

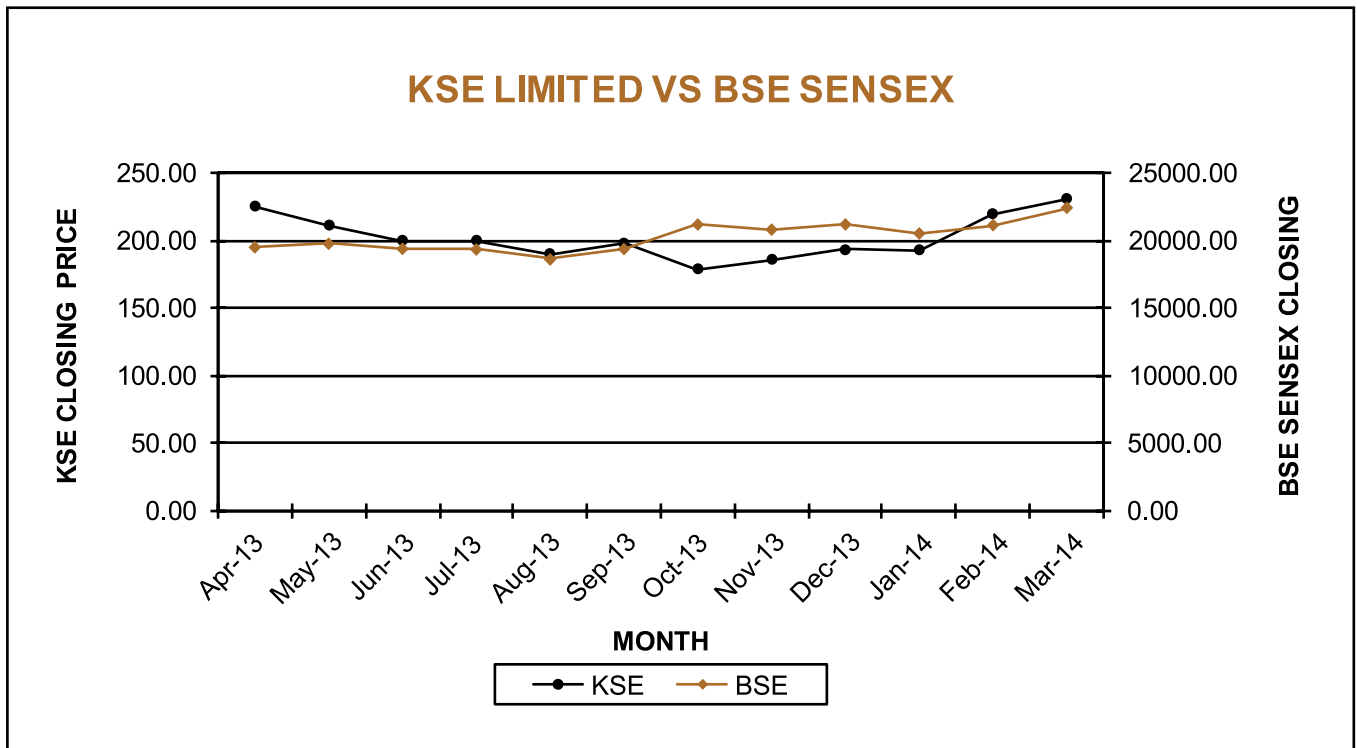
10. General Shareholder Information

- | | |
|---|---|
| i) AGM - Date, time and venue | 25 th September, 2014 at 3.00 p.m.
KSE Limited, Registered Office,
Solvent Road, Irinjalakuda - 680 121. |
| ii) Financial Year | 1 st April to 31st March |
| Unaudited Results for First Quarter | On or before 14 th August, 2014 |
| Unaudited Results for Second Quarter | On or before 14 th November, 2014 |
| Unaudited Results for Third Quarter | On or before 14 th February, 2015 |
| Audited Results for year ending 31 st March 2014 | On or before 30 th May, 2015 |
| iii) Book Closure Date | 10 th September, 2014 to 25 th September, 2014
(both days inclusive) |
| iv) Dividend Payment Date | within 20 days from the date of Annual General Meeting
(if declared at the Annual General Meeting) |
| v) Listing on Stock Exchanges | Cochin, Mumbai and Madras Stock Exchanges
(permitted to be traded in NSE also,
as per arrangement with MSE) |
| vi) Stock Code | |
| Cochin Stock Exchange Ltd. | KSE |
| The Stock Exchange, Mumbai | 519421 |
| Madras Stock Exchange Ltd. | KSE |
| National Stock Exchange | KSE |

vii) Market Price Data
During Financial year 2013-2014
(based on BSE data)

Month	High (₹)	Low (₹)
April	264.00	168.85
May	211.00	190.00
June	221.55	200.00
July	220.50	200.00
August	203.70	185.00
September	200.00	189.55
October	194.00	175.00
November	198.60	178.35
December	194.00	190.00
January	209.00	181.15
February	239.40	191.00
March	241.40	212.20

viii) Performance of Share Price in comparison with BSE Sensex during 2013-2014



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

M/s. S.K.D.C. Consultants Limited
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road,
Ganapathy,
Coimbatore - 641 006.
Telephone : 0422 6549995, 2539835-836
Fax : 0422 2539837
E Mail : info@skdc-consultants.com

x) Share Transfer System

The Company's shares are under compulsory demat list and are transferable through Depository System. Both demat and physical share transfers are handled by M/s. S.K.D.C. Consultants Limited, Coimbatore. Members holding share certificates in physical form can transfer their shareholding by sending the share certificates, with a valid, duly executed and stamped transfer deed signed by the transferor and transferee and copy of PAN Card of transferee to the Registrars and Share Transfer Agents in the above address.

xi) Shareholding Pattern

Category	As at 31 st March 2014		As at 31 st March 2013	
	No. of shares held	% of share holding	No. of shares held	% of share holding
Promoter's Holding				
Indian Promoters	10,46,610	32.71	10,40,706	32.52
Sub Total	10,46,610	32.71	10,40,706	32.52
Non Promoter's Holding				
Banks	—	—	—	—
Private Corporate Bodies	6,02,637	18.83	5,91,341	18.48
Indian Public	15,35,972	48.00	15,52,195	48.51
NRIs/OCBs	14,781	0.46	15,758	0.49
Sub Total	21,53,390	67.29	21,59,294	67.48
Grand Total	32,00,000	100.00	32,00,000	100.00

xii) Distribution of share holding

No. of shares held	As at 31 st March 2014				As at 31 st March 2013			
	No. of Folios	%	No. of shares	%	No. of Folios	%	No. of shares	%
1 to 500	3,793	85.95	5,07,782	15.87	3,848	85.86	5,21,625	16.30
501 to 1000	215	4.87	1,66,470	5.20	216	4.82	1,67,114	5.22
1001 to 5000	304	6.89	6,45,459	20.17	312	6.96	6,79,939	21.25
5001 to 10000	41	0.93	2,73,818	8.56	52	1.16	3,54,098	11.07
10001 and above	60	1.36	16,06,471	50.20	54	1.20	14,77,224	46.16
Total	4,413	100.00	32,00,000	100.00	4,482	100.00	32,00,000	100.00

xiii) Dematerialisation of shares and liquidity

The Company has signed agreements 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 total number of shares demated as on 31.03.2014 is 21,20,227 - 66.26 % (as on 31.03.2013 - 20,52,713 - 64.15 %).

xiv) Plant Location

The location of various plants of the Company along with address and phone numbers are provided in the outside back cover of the Annual Report.

xv) Address for correspondence

Company Secretary-cum-General Manager (Finance)
KSE Limited
Irinjalakuda - 680 121, Kerala.

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As per the affirmations received from the Board Members and the Senior Management Personnel of the Company, it is declared that the Board Members and Senior Management Personnel of the Company have complied with the Code of Conduct approved by the Board in its Meeting held on 29.12.2005.

By Order of the Board

Sd/-

M.C. Paul

Chairman and Managing Director

Irinjalakuda
May 29, 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

In the Animal feed division, there was abnormal increase in the ingredient prices in the first two quarters of 2013-14 and then there was downward trend in the remaining two quarters. We could strike a balance between the ingredient prices and the selling prices of feed in the first two quarters and thereby avoid losses in that period. Once the price of ingredients eased, we could generate good revenue in the later two quarters. We employ a prudent purchase policy, fine-tuning selling price, trimming overheads, etc. to reduce the effect of fluctuation in ingredient prices.

In the Oil cake processing division, the price of coconut oil steadily increased during 2013-14 and was at ₹ 127.50/kg. at the close of the year. At the same time, the price of copra cake almost doubled since the availability of copra cake was limited. Despite this, the segment could post good results, even though there is fall in the quantity of oil cake processed. Arrangements for import of copra cake has been made for the year 2014-15 to augment the processing quantity in order to take advantage of higher oil price.

In Dairy division the sales volume of ice cream has improved to 1125 kl. against 960 kl. in the previous year, registering a growth of 17%. We could increase the sale volume of ice cream in Thalayuthu and Vedagiri Units. We are taking steps to improve the sales in all our Units, and thus further improve the capacity utilisation of all the Units. We were enjoying the advantage of difference in milk procurement price in Kerala and Tamil Nadu since our main market for milk is in Kerala. Off late the gap between the two price has narrowed to almost nil and this may affect the profitability of the Dairy division as a whole in year 2014-15 unless there is upward correction in the selling price of milk. The milk price has not been revised after October, 2012 and it is imminent that there should be a considerable upward revision in the milk price, to absorb the increased cost of production. It will be advantageous for the Dairy Division also, if the milk price is revised upward.

2. Opportunities and Threats

The advantages to your Company in Cattle feed and Solvent industry are (1) its vast experience in those industries for over 40 years (2) its leadership in the market (3) acceptability of the feed and its quality standards 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 net work 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. The threats to the Company in these two segments are (1) competition from other manufacturers of organised and unorganised sectors, mostly of recent origin with lower overhead as regards labour (2) probable entry of multinational entities (3) upward revision of fuel price leading to increase in the price of ingredients manifold (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, in passing off of cost escalation to the consumers (7) switching of crop by farmers from oil seeds and grains, required by us as ingredients, to other crops (8) severe shortage in availability of manual local labour leads to increase the cost of labour as these two segments are highly labour oriented and (9) import of cheaper oils for industrial consumption leading to fall in demand for solvent extracted coconut oil. 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) unhealthy competition from small players dealing with inferior quality products and (2) entry of big players including multinational corporations in the segment catered by your Company (3) Any steps by the Government to further increase Excise duty on ice cream will take away the margin on sale of ice cream.

3. Segmentwise Productwise Performance

There was widespread disease among cattle in the State of Keala and Tamil Nadu during the second half of 2013-14. A large number of cattle died as a result of the disease and the affected cattle could not take feed. The severity of the ailment has reduced the aggregate market demand of feed considerably. Despite the adverse situation, through the quality and market acceptability of our feed, we could slightly improve the sale volume from 3.99 lakhs tons to 4.01 lakhs tons in 2013-14. As a result of steep increase in ingredient cost, the margins for the first two quarters of the reporting year was minimal. In the third and fourth quarter of the reporting year the ingredient prices eased and margins improved and thereby we could report pretty good results in the Animal Feed Division. The Animal Feed Segment reported a profit of ₹ 1701.50 lakhs for the year 2013-14 compared to a profit of ₹ 882.03 lakhs in the preceding year. To meet the increasing demand, we added production facility in Trivandrum through third party production arrangement.

In the oil cake processing division, during 2013-14, there was a fall in the processing volume. It has reduced to 64,000 tonnes as against 77,000 tonnes in the previous year. The copra cake was in short supply locally due to crop failure and the price of copra cake had almost doubled. Luckily the price of coconut oil also steadily improved and was at ₹ 127.50/kg. at the close of the year. Thus this Segment had generated a profit of ₹ 784.44 lakhs compared to a loss of ₹ 46.88 lakhs in the previous year, despite the fall in the volumes. In year 2014-15 we have already taken steps to import sufficient quantity of copra cake to ensure regular production.

In the Dairy division, the volume of sale of ice cream has improved 17% compared to previous year. The margin on sale of milk has reduced as explained earlier and there is a slight fall in the profits of Dairy division. The division has reported a profit of ₹ 159.69 lakhs compared to ₹ 163.96 lakhs in the previous year. We are giving utmost attention for improving the utilisation of capacities in Thalayuthu and Vedagiri ice cream units.

4. Outlook

It is reasonably expected that all the prime divisions, namely the Animal feed division, the Oil cake processing division and the Dairy division will perform better in the year 2014-15. The Animal feed division is expected to perform well in year 2014-15, unless there is a sudden leap in the ingredient prices. There is good demand for the feed, and we are unable to meet the demand in certain pockets. We had added capacities to meet the increased demand. It is expected that the Government of Kerala and Tamil Nadu will shortly increase the price of milk, which will further help to boost the cattle rearing, and we expect an increased demand for cattle feed in 2014-15. Considering the demand for cattle feed, immediate correction in the selling price of feed price will be possible to match the ingredient prices, without the fear of losing the market share. Availability of local copra cake is poor and the price is high. We have already covered around 12000 tons of imported copra cake and further, we may have to depend more on imported copra cake. It is expected that the local arrival of copra cake will improve on onset of monsoon, and the performance in the Oil cake processing division in year 2014-15 will be maintained as in the year 2013-14. Our efforts to improve the volume of sale of ice cream in Thalayuthu and Vedagiri ice cream units is showing results and once we are able to improve the volume, the Dairy division will generate higher revenue.

5. Risks and Concerns

As regards Animal feed, we are mainly depending on materials from northern States moved by rail. On increase of diesel price, railway freight may go up further. Off late, the price of all major ingredients show a tendency to increase, and margin may be affected. We are making suitable adjustment in the selling price of Animal feed, in tune with raw material price. In Kerala and Tamil Nadu foot and mouth disease was wide spread and severe among cattle in the second half of 2013-14. The affected cattle is unable to take feed due to the disease. This has resulted in a drop in demand for cattle feed. Now normalcy has been restored. As a result of the disease among cattle, our growth in volume has been severely affected. In Kerala and Tamil Nadu the procurement price of milk has increased and the farmers who had affected by the disease are returning again to dairying. At present, there is good demand for Animal feed, both in Kerala and Tamil Nadu and often we take a week time to clear the orders booked. We had increased the production capacity in Palakkad Unit and further started a third party production arrangement in the southern part of Kerala in the year under report. A new feed mill in south Kerala in the Government Sector may affect our volumes for a while, and we are hopeful of managing the same through our well-knit distribution system and excellent after sales services. The price of coconut oil is around ₹ 158/kg. now and is expected to further firm up in the coming days. As a result, the profitability of Oil cake processing division is expected to improve. We have arranged to import Copra cake at cheaper cost. We are hopeful of improving the profitability of cake processing division in 2014-15. The Dairy division is also expected to perform well by increased volume of ice cream sales with improved margin. No risks or concerns are perceived by the management, other than those already discussed above.

6. Internal Control Systems and their adequacy

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 and the internal audit reports and the corrective actions taken for the shortcomings reported in those reports, if any, are being discussed by the Audit Committee.

7. Financial and Operational Performance

The total turnover during the year under review improved by 15.65 % compared to immediately preceding year. The increase in turnover has been mainly contributed by the increase in the selling rate of cattle feed, de-oiled coconut cake and coconut oil. The sale of cattle feed, in quantity terms, improved by 0.52 % compared to previous year despite the great set back in the industry due to the wide spread foot and mouth disease to the cattle population. The after tax profits of the Company is ₹ 1537.36 lakhs as against ₹ 465.30 lakhs in the previous year. The animal feed division generated a profit of ₹ 1701.50 lakhs compared to previous year figure of ₹ 882.03 lakhs. The rate of coconut oil improved to around ₹ 127.50 per kg. as on 31st March, 2014. Though the price of coconut oil cake also went up, due to the matching realisation for the oil extracted by us, the Oil cake processing division could make a profit of ₹ 784.44 lakhs as against a loss of ₹ 46.88 lakhs in the previous year. The volume of sales of ice cream has improved to 1125 kl. compared to 960 kl. in the previous year. The profit of Dairy division is marginally low at ₹ 159.69 lakhs compared to previous year figures of ₹ 163.96 lakhs. We are taking all efforts to improve the production and sale volume of ice cream.

8. Industrial Relation

The Company has 904 employees on its rolls as on 31.3.2014. The Company is an exception to the adverse labour conditions existing in Kerala. The Vedagiri Unit, however, was under lock out from 11th November, 2013 and the lock out was lifted on 21st December, 2013. Alternate arrangements for servicing the markets covered by that Unit was made to ensure regular supply of cattle feed. There were no serious labour issues, other than this, in any of the Units of the Company. The management continues to maintain cordial industrial relation with its employees in all Units and is attending to their grievances with an open mind.

9. 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.

Irinjalakuda
May 29, 2014

By Order of the Board
Sd/-
M.C. Paul
Chairman and Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of KSE Limited
Irinjalakuda

We have examined the compliance of conditions of Corporate Governance by KSE Limited for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is primarily the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

Based on the report given by the Company's Registrar and Share Transfer Agents, we state that no investors' grievance matter is pending for a period exceeding one month, against the Company.

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.

Thrissur
May 29, 2014

For **VARMA & VARMA**
(Firm No. 004532 S)
Sd/-
(C. Pankajakshan, M. No. 12948)
Partner
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To

The Members of KSE Limited
Irinjalakuda

Report on the Financial Statements

We have audited the accompanying financial statements of KSE LIMITED, which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information contained in the notes to accounts.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with the accounting policies and other notes attached thereto, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Thrissur
May 29, 2014

For **VARMA & VARMA**
(Firm No. 004532 S)
Sd/-
(C. Pankajakshan, M. No. 12948)
Partner
Chartered Accountants

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE

1. In respect of fixed assets-
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) We are informed that most of the fixed assets of the Company have been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets and that no material discrepancy has been noticed on such verification.
 - (c) The Company has not disposed off substantial part of fixed assets during the year.
2. In respect of inventories-
 - (a) We are informed that the inventory has been physically verified by the management at the year end, which, in our opinion, is reasonable having regard to the size of the company and the nature of its business.
 - (b) In our opinion and according to the explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory, and as informed to us, discrepancies of material nature were not noticed on physical verification by the management.
3.
 - (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) The Company has accepted deposits under the provisions of Section 58 A of the Companies Act, 1956 from 21 parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and the aggregate amount outstanding as on 31.03.2014 is ₹ 104.80 lakhs (Maximum amount outstanding during the year ₹ 105.27 lakhs). The Company has not taken any other loan, secured or unsecured, from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

- (c) In our opinion, the rate of interest and other terms and conditions of the deposits accepted by the Company from the Parties listed in the Register maintained under Section 301 of the Companies Act, 1956, are as applicable to other depositors and are in accordance with the Companies (Acceptance of Deposits) Rules, 1975 and are prima facie not prejudicial to the interest of the Company.
- (d) In respect of the above deposits, the payments of principal amounts and interest there on are regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company, being primarily a manufacturing Company, is not rendering any services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956-
- (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to the quality and prevailing market prices at the relevant time.
6. In respect of deposits accepted by the Company from the public, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under, wherever applicable, have been complied with.
7. In our opinion, the Company has an internal audit system, the scope and coverage of which is commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 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.
9. In respect of statutory dues-
- (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, except for certain minor delays in remittance of undisputed Income tax deducted at source, the Company has been generally regular in depositing undisputed provident fund and employees' state insurance dues, investor education and protection fund, sales tax, wealth tax, service tax, income tax, customs duty, excise duty, cess and other statutory dues during the year. There are no arrears of undisputed statutory dues of material nature outstanding for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us and as per the records of the Company examined by us, the following disputed amount of statutory dues have not been deposited with the relevant authorities as at 31st March 2014:

Name of the statute	Nature of the dues	Amount ₹ in lakhs	Period to which the amount relates	Forum where dispute is pending
KGST Act, 1963	Amount disputed on allowability of ST Exemption for refining plant	25.40	F.Y. 2000-01	Asst. Commissioner (Assessment)
Customs Act, 1962	Dispute on applicable Tariff head	45.07	F.Y. 2008-09	CESTAT, Bangalore
Customs Act, 1962	Dispute on applicable Tariff head	1.98	F.Y. 2009-10	CESTAT, Bangalore

10. There are no accumulated losses at the end of the financial year and the company has not incurred cash losses during the financial year and in the immediately preceding financial year.
11. 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 dues to banks.
12. The Company has not given any loans or advances in the nature of loans on the basis of security by way of pledge of shares, debentures and other securities.
13. Since the Company is not a chit fund/nidhi/mutual benefit fund/society, the relative reporting requirements in this regard are not applicable.
14. Since the Company is not dealing or trading in shares, securities, debentures and other investments, the relative reporting requirements in this regard are not applicable.
15. According to the information and explanations given to us and as per the records of the company verified by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and the records of the Company examined by us, the term loans availed by the Company were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised by the Company on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us and as per the verification of the records of the Company, no fraud, either on or by the Company has been noticed or reported during the year.

Thrissur
May 29, 2014

For **VARMA & VARMA**
(Firm No. 004532 S)
Sd/-
(C. Pankajakshan, M. No. 12948)
Partner
Chartered Accountants

BALANCE SHEET AS AT 31st MARCH 2014

	Note No.	As at 31.03.2014 ₹ in lakhs		As at 31.03.2013 ₹ in lakhs	
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
a) Share Capital	2	320.00		320.00	
b) Reserves and Surplus	3	4,538.09	4,858.09	<u>3,749.50</u>	4,069.50
2. Non-current liabilities					
a) Long-term borrowings	4	649.25		688.30	
b) Deferred tax liability (Net)	5	155.32		170.29	
c) Long-term provisions	6	39.75	844.32	<u>30.12</u>	888.71
3. Current liabilities					
a) Short-term borrowings	7	728.90		1,945.59	
b) Trade payables	8	865.64		913.87	
c) Other current liabilities	9	1,475.54		1,292.99	
d) Short-term provisions	10	777.80	3,847.88	<u>421.64</u>	4,574.09
TOTAL			<u>9,550.29</u>	<u>9,532.30</u>	
II. ASSETS					
1. Non-current assets					
a) Fixed Assets					
i) Tangible assets	11	3,597.32		3,869.71	
ii) Intangible assets	12	29.64		43.47	
iii) Capital work-in progress	13	26.72	3,653.68	<u>31.27</u>	3,944.45
b) Non-current Investments	14		7.50		7.50
c) Long-term Loans and Advances	15		94.80		98.41
2. Current Assets					
a) Inventories	16	4,969.90		4,737.15	
b) Trade receivables	17	16.99		29.26	
c) Cash and cash equivalents	18	314.41		375.78	
d) Short-term loans and advances	19	483.94		330.63	
e) Other current assets	20	9.07	5,794.31	<u>9.12</u>	5,481.94
TOTAL			<u>9,550.29</u>	<u>9,532.30</u>	
Significant accounting policies	1				
Additional information	29				

The accompanying notes are an integral part of the financial statements.

M.C. Paul
Chairman & Managing Director

R. Sankaranarayanan
Company Secretary-cum-General Manager (Finance)

P.K. Varghese

A.P. George

K.P. John

P.D. Anto

Executive Director

Director & Legal Advisor

Director

Director

As per our report of
even date attached

For **VARMA & VARMA**
(Firm No. 004532 S)

Sd/-
(C. Pankajakshan, M. No. 12948)
Partner
Chartered Accountants

May 29, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

	Note No.	Year ended 31.03.2014 ₹ in lakhs	Year ended 31.03.2013 ₹ in lakhs
REVENUE			
Revenue from operations			
Sale of products		80,657.52	69,741.87
Less : Excise duty		27.19	24.16
		80,630.33	69,717.71
Other income	21	89.78	108.18
Total Revenue		80,720.11	69,825.89
EXPENSES			
Cost of materials consumed	22	69,180.24	60,472.14
Changes in inventories of finished goods	23	(58.61)	2.20
Employee benefits expenses	24	2,857.88	2,348.07
Finance costs	25	236.66	313.65
Depreciation and amortisation expenses	26	375.77	422.10
Other expenses	27	5,784.30	5,601.64
Total expenses		78,376.24	69,159.80
Profit before exceptional and extra-ordinary items and Tax		2,343.87	666.09
Exceptional Items		—	—
Profit before extra-ordinary items and tax		2,343.87	666.09
Extra-ordinary items		—	—
Profit before tax		2,343.87	666.09
Tax expenses			
Current tax		830.00	220.00
Relating to earlier years (net)		(8.52)	(6.96)
Deferred tax (net)		(14.97)	(12.25)
		806.51	200.79
Profit for the year		1,537.36	465.30
Basic and diluted earnings per equity share (₹)	28	48.04	14.54
Nominal value per equity share (₹)		10.00	10.00
Significant accounting policies	1		
Additional information	29		

The accompanying notes are an integral part of the financial statements.

M.C. Paul
Chairman & Managing Director

R. Sankaranarayanan
Company Secretary-cum-General Manager (Finance)

P.K. Varghese

A.P. George

K.P. John

P.D. Anto

Executive Director

Director & Legal Advisor

Director

Director

As per our report of even date attached

For **VARMA & VARMA**
(Firm No. 004532 S)

Sd/-
(C. Pankajakshan, M. No. 12948)
Partner
Chartered Accountants

May 29, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

		Year ended 31.03.2014 ₹ in lakhs	Year ended 31.03.2013 ₹ in lakhs
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax and extra ordinary items	2,343.87	666.09
	Adjustments for:		
	Depreciation and amortisation	375.77	422.10
	Finance costs	236.66	313.65
	Interest income from banks	(5.55)	(8.02)
	Dividend income	(5.32)	(0.40)
	Profit on sale of fixed assets	(3.85)	(5.43)
		<u>597.71</u>	<u>721.90</u>
	Operating profit before working capital changes	2,941.58	1,387.99
	Adjustments for		
	Inventories	(232.75)	(588.82)
	Trade receivables, loans & advances and other current assets	(137.38)	(152.49)
	Trade payables, other current liabilities and provisions	211.46	496.00
		<u>(158.67)</u>	<u>(245.31)</u>
	Cash generated from operations	2,782.91	1,142.68
	Income tax paid	839.71	240.46
	Net cash from operating activities (a)	<u>1,943.20</u>	<u>902.22</u>
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(99.91)	(785.07)
	Sale of fixed assets	18.76	7.35
	Interest income from banks	5.55	8.02
	Dividend income	5.32	0.40
	Net cash used in investing activities (b)	<u>(70.28)</u>	<u>(769.30)</u>
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds/(Repayment) of bank borrowings	(1,349.27)	547.80
	Capital Investment Subsidy received	—	7.40
	Acceptance/(Repayment) of public deposit	22.40	(176.03)
	Finance costs	(236.66)	(313.65)
	Dividend paid (including dividend distribution tax)	(370.76)	(405.99)
	Net cash used in financing activities (c)	<u>(1,934.29)</u>	<u>(340.47)</u>
	Net decrease in cash and cash equivalents (a+b+c)	<u>(61.37)</u>	<u>(207.55)</u>
	Cash and cash equivalents at the beginning of the year	375.78	583.33
	Cash and cash equivalents at the close of the year	314.41	375.78
	Net decrease as disclosed above	<u>(61.37)</u>	<u>(207.55)</u>

Note : Cash and cash equivalents include ₹ 39.93 lakhs (Previous year ₹ 36.31 lakhs) under unpaid dividend account with Banks and ₹ 7.51 lakhs (Previous year ₹ 13.57 lakhs) as margin money deposits against bank guarantees which are not available for immediate use.

M.C. Paul
Chairman & Managing Director

R. Sankaranarayanan
Company Secretary-cum-General Manager (Finance)

P.K. Varghese

A.P. George

K.P. John

P.D. Anto

Executive Director

Director & Legal Advisor

Director

Director

As per our report of
even date attached

For VARMA & VARMA
(Firm No. 004532 S)

Sd/-
(C. Pankajakshan, M. No. 12948)
Partner
Chartered Accountants

May 29, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

- i) **Basis of Accounting:** The financial statements are prepared under historical cost convention on accrual basis of accounting in conformity with the accounting principles generally accepted in India and are in compliance with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006.
- ii) **Use of Estimates:** The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which the results are known / materialised.
- iii) **Fixed Assets:**
- Tangible and intangible assets are stated at cost of acquisition less accumulated depreciation / amortisation.
 - In the case of fixed assets acquired for new projects / expansion, expenses incurred for such projects / expansion during construction period are carried forward under 'Pre-operative expenses' and are capitalised and allocated to the respective fixed assets on commencement of commercial production.
 - As at the balance sheet date an assessment is done to determine whether there is any indication of impairment in the carrying amount of fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.
- iv) **Depreciation and amortisation:** Depreciation on fixed assets has been provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except on leasehold land which is amortised over the period of lease. Intangible assets are amortised over a period of five years.
- v) **Investments:** Long-term investments are stated at cost less provision for diminution, if any, in the value of such investments, other than that of temporary nature. Current investments are carried at lower of cost or fair value.
- vi) **Inventories:** Inventories as at the close of the year are valued at lower of cost or net realisable value. Cost includes cost of purchases, conversion and other costs, as the case may be, incurred in bringing the inventories to their present location / 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 |
- vii) **Foreign Currency Transactions, Forward Contracts and Derivatives:** Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities outstanding at the Balance Sheet date are translated at the applicable exchange rates prevailing at the year-end. The exchange gains / losses arising during the year are adjusted to the Statement of Profit and Loss.
- Premium or discount arising on inception of forward exchange contracts, which are intended to hedge the foreign currency risk of existing assets or liabilities has been amortised as income / expense over the life of the contract and exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.
- Exchange gains or losses on derivative instruments entered to hedge risks associated with foreign currency fluctuations and on forward exchange contracts, which are intended to hedge the foreign currency risks of future transactions in respect of which firm commitments are made or which are highly probable forecast transactions are determined by marking such contracts outstanding on Balance Sheet date to market. Exchange loss arising on such instruments / contracts is provided in the accounts, while gains are not recognised in accordance with the Announcement on Accounting for Derivatives issued by the Institute of Chartered Accountants of India.
- viii) **Revenue Recognition:** Sales are recognised on transfer of title of the goods to the customers. Other incomes are recognised on accrual basis except when there are significant uncertainties.
- ix) **Claims:** Claims are accounted for as and when finally determined / settled.
- x) **Grants / Subsidies related to capital assets:** Grants / Subsidies received, specifically related to capital asset, are credited to the carrying cost of the respective asset. Other Grants / Subsidies received are credited to capital reserve.

xi) 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 recognises 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

The company makes contributions to 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. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

Gratuity in respect of whole-time directors is provided for on gross undiscounted basis and charged to Statement of Profit and Loss.

Past service cost is recognised immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested.

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.

xii) Borrowing Cost: Borrowing costs that are attributable to the acquisition or construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

xiii) Taxes on Income: Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

xiv) Segment Reporting: The Company's primary segments (business segments) have been identified as (a) Animal Feed Division (b) Oil Cake Processing Division 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 expenses, which are not directly attributable to any of the business segment are shown as unallocated expenditure. Assets and liabilities that cannot be allocated between the segments are shown as part of unallocated assets and liabilities respectively. Inter segment transfer of processed materials are accounted considering the estimated realisable value of such goods.

xv) Provisions and Contingencies: Provisions for losses and contingencies arising as a result of a past event where the management considers it probable that a liability may be incurred are made on the basis of the best reliable estimates of the expenditure required to settle the present obligation on the balance sheet date and are not discounted to its present value. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Other contingent liabilities to the extent management is aware is disclosed by way of notes to accounts.

xvi) Earnings per share: Basic / diluted earnings per share is calculated by dividing the net profit / loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares / dilutive potential equity shares outstanding as at the end of the year as the case may be.

2. SHARE CAPITAL

	Par value each ₹	As at 31.03.2014		As at 31.03.2013	
		Number	₹ in lakhs	Number	₹ in lakhs
Authorised:					
Equity shares	10	99,40,000	994.00	99,40,000	994.00
13.50 % Redeemable cumulative preference shares	100	6,000	6.00	6,000	6.00
		99,46,000	1,000.00	99,46,000	1,000.00
Issued:					
Equity shares	10	32,02,820	320.28	32,02,820	320.28
Subscribed and Paid up:					
Equity shares	10	32,00,000	<u>320.00</u>	32,00,000	<u>320.00</u>
Note 2.1 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	32,00,000	320.00
Add : Issued during the year		—	—	—	—
Outstanding at the end of the year		32,00,000	320.00	32,00,000	320.00
Note 2.2 Terms/rights, Preferences and Restrictions attached to equity shares:					
<p>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.</p> <p>The Board of Directors at its meeting held on 29th May, 2014 has recommended a final dividend of ₹ 20 (Rupees Twenty only) per equity share of ₹ 10 each, subject to approval of shareholders at the ensuing annual general meeting. The total dividend appropriation for the year ended 31st March, 2014 amounts to ₹ 748.77 lakhs, including dividend distribution tax of ₹ 108.77 lakhs.</p> <p>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, 1956. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>					
Note 2.3 Details of shareholders holding more than 5 % of the equity shares:					
		As at 31.03.2014		As at 31.03.2013	
		Number of shares	Percentage of holding	Number of shares	Percentage of holding
PJD Properties and Investments P. Ltd.		5,33,267	16.66 %	5,28,000	16.50 %
Note 2.4 There was no fresh issue or buying back of shares in the preceding five years.					
Note 2.5 There was neither bonus issue nor any other issue of shares in the preceding five years.					

As at 31.03.2014
₹ in lakhs

As at 31.03.2013
₹ in lakhs

3. RESERVES AND SURPLUS

Capital Reserve				
Balance at the beginning of the year	78.18		70.78	
Add : Capital investment subsidy received	—	78.18	7.40	78.18
Capital Redemption Reserve		3.00		3.00
Securities Premium Account		162.24		162.24
General Reserve				
Balance at the beginning of the year	3,100.00		3,000.00	
Add : Transfer from Surplus	700.00	3,800.00	100.00	3,100.00
Gratuity Reserve		154.97		154.97
Surplus				
Balance at the beginning of the year	251.11		260.19	
Add : Profit for the current year	1,537.36		465.30	
Less : Transfer to General Reserve	(700.00)		(100.00)	
Less : Proposed Dividend	(640.00)		(320.00)	
Less : Dividend distribution tax	(108.77)		(54.38)	
		339.70		251.11
Total		<u>4,538.09</u>		<u>3,749.50</u>

Note 3.1 Final dividend of ₹ 20 per share proposed by Board is subject to approval of shareholders in the ensuing annual general meeting.

4. LONG TERM BORROWINGS

Public Deposits - Unsecured	<u>649.25</u>	<u>688.30</u>
-----------------------------	---------------	---------------

Note 4.1 See Note 9 for current maturities of long-term debt.

Note 4.2 Public Deposits were accepted under the Companies (Acceptance of Deposits) Rules, 1975. Rate of interest and terms of repayment of Public Deposits are as under:

Period of Deposit	Rate of Interest	Balance as on 31.03.2014
One Year	10.00 % p.a.	₹ 8.98 lakhs
One Year	9.00 % p.a.	₹ 16.55 lakhs
Two Years	10.00 % p.a.	₹ 33.33 lakhs
Three Years	11.00 % p.a.	₹ 905.14 lakhs
Total		₹ 964.00 lakhs

Note 4.3 Public Deposits include deposits accepted from Directors ₹ 3.96 lakhs (Previous year ₹ 7.31 lakhs) on the same terms and conditions as applicable to other depositors.

5. DEFERRED TAX LIABILITY (NET)

Deferred tax liability towards				
- accumulated depreciation difference		177.23		186.65
Deferred tax assets on account of				
- Provision for employees' benefits	13.81		10.06	
- Others	8.10	21.91	6.30	16.36
Net deferred tax liability		<u>155.32</u>		<u>170.29</u>

As at 31.03.2014
₹ in lakhs

As at 31.03.2013
₹ in lakhs

6. LONG TERM PROVISIONS

Provision for employee's benefits

- Gratuity (gross - undiscounted) - See Note 1. xi

39.75

30.12

7. SHORT TERM BORROWINGS

Loans repayable on demand from Banks

- Cash credit - Secured

703.37

1,911.10

Secured by (1) First Charge by way of hypothecation of all current assets of the Company and Plant and Machinery of Irinjalakuda and Swaminathapuram Units; and (2) Equitable mortgage of immovable properties of Irinjalakuda and Swaminathapuram Units by deposit of title deeds.

Public Deposits - Unsecured

25.53

34.49

Total

728.90

1,945.59

Note 7.1 See Note 4.2 for rate of interest and terms of repayment of public deposits.

8. TRADE PAYABLES

Micro, Small and Medium Enterprises

0.69

1.19

Others

864.95

912.68

Total

865.64

913.87

Note 8.1 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 as at 31st March, 2014 are as under:

(i) Principal amount due and remaining unpaid to any supplier as at the end of each accounting year

—

—

(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 Act

—

—

(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

—

—

As at 31.03.2014
₹ in lakhsAs at 31.03.2013
₹ in lakhs**9. OTHER CURRENT LIABILITIES**

Current Maturities of long-term debt				
- Term loan from Banks	—		141.54	
- Public Deposits - Unsecured	289.22	289.22	218.81	360.35
Interest accrued but not due on public deposits		116.30		93.54
Amounts liable to be credited to Investor Education and Protection Fund not due				
- Unpaid dividend	39.93		36.31	
- Unpaid matured deposits and interest accrued thereon	0.23	40.16	0.42	36.73
Security deposits		98.84		97.21
Advance from customers		224.28		247.04
Employee benefits expenses payable		331.66		246.97
Creditors for expenses		161.41		133.54
Advance received against sale of property		100.00		—
Other liabilities		113.67		77.61
Total		1,475.54		1,292.99

Note 9.1 Rate of interest and terms of repayment of Term Loan:

Bank/Institution	Rate of Interest	Balance as on 31.03.2014	Remaining number of Installments	Frequency of Repayment
ICICI Bank Limited	14.50 % p.a.	Nil	Nil	Quarterly

Note 9.2 Term Loan from ICICI Bank Ltd. is secured by (1) Equitable mortgage of all immovable properties of Irinjalakuda, Swaminathapuram and Konikkara Units by deposit of title deeds; and (2) First charge by way of hypothecation of all current assets of the Company and Plant and Machinery of Irinjalakuda and Swaminathapuram Units.

Note 9.3 Public Deposits include deposits accepted from Directors ₹ 5.10 lakhs (Previous year ₹ Nil) on the same terms and conditions as applicable to other depositors.

Note 9.4 Interest accrued but not due on public deposits includes ₹ 0.30 lakh (Previous year ₹ 0.12 lakh) due to Directors.

Note 9.5 See Note 4.2 for rate of interest and terms of repayment of public deposits.

As at 31.03.2014
₹ in lakhsAs at 31.03.2013
₹ in lakhs**10. SHORT TERM PROVISIONS**

Proposed Dividend	640.00	320.00
Dividend distribution tax	108.77	54.38
Taxation (net of advance tax)	29.03	47.26
Total	777.80	421.64

₹ in lakhs

	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	Cost as at 1.04.2013	Additions	Sales/ Adjustments	Cost as at 31.03.2014	Up to 1.04.2013	For the Year	Sales/ Adjustments	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
11. TANGIBLE ASSETS										
Land and Land development	1,046.85 487.10	— 559.75	— —	1,046.85 1,046.85	— —	— —	— —	— —	1,046.85 1,046.85	1,046.85 487.10
Leasehold Land	105.60 105.60	— —	— —	105.60 105.60	10.52 9.32	1.20 1.20	— —	11.72 10.52	93.88 95.08	95.08 96.28
Buildings	2,597.72 2,560.30	6.17 37.42	17.12 —	2,586.77 2,597.72	1,209.35 1,125.33	79.93 84.02	9.70 —	1,279.58 1,209.35	1,307.19 1,388.37	1,388.37 1,434.97
Plant and Equipments	3,828.95 3,649.62	68.19 185.36	31.96 6.03	3,865.18 3,828.95	2,631.68 2,362.88	240.89 274.55	29.22 5.75	2,843.35 2,631.68	1,021.83 1,197.27	1,197.27 1,286.74
Furniture and Fixtures	98.70 97.89	1.37 0.81	— —	100.07 98.70	85.49 82.48	2.58 3.01	— —	88.07 85.49	12.00 13.21	13.21 15.41
Vehicles	161.67 152.88	22.55 16.67	17.24 7.88	166.98 161.67	87.58 71.16	19.37 22.99	12.87 6.57	94.08 87.58	72.90 74.09	74.09 81.72
Office Equipments	137.76 122.62	6.02 16.63	1.24 1.49	142.54 137.76	82.92 61.70	17.81 22.38	0.86 1.16	99.87 82.92	42.67 54.84	54.84 60.92
Total Tangible Assets	7,977.25 7,176.01	104.30 816.64	67.56 15.40	8013.99 7,977.25	4,107.54 3,712.87	361.78 408.15	52.65 13.48	4,416.67 4,107.54	3,597.32 3,869.71	3,869.71 3,463.14
12. INTANGIBLE ASSETS										
Softwares	69.77 61.73	0.16 8.04	— —	69.93 69.77	26.30 12.35	13.99 13.95	— —	40.29 26.30	29.64 43.47	43.47 49.38

Figures in italics denotes the corresponding figures for the previous year.

As at 31.03.2014
₹ in lakhs

As at 31.03.2013
₹ in lakhs

13. CAPITAL WORK IN PROGRESS

Buildings	0.76	1.05
Plant and Equipments	25.96	30.22
Total	<u>26.72</u>	<u>31.27</u>

14. NON-CURRENT INVESTMENTS

	As at 31.03.2014		As at 31.03.2013		
	Face Value each ₹	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
In Equity Instruments - (Non-trade) At Cost (fully paid up - Unquoted)					
a) Jeevan Telecasting Corporation Ltd.	1,000	200	2.00	200	2.00
b) Kerala Enviro Infrastructure Ltd.	10	5,000	0.50	5,000	0.50
c) Cochin Waste 2 Energy Private Ltd.	10	50,000	5.00	50,000	5.00
d) Coconut Oil & Copra Producers' Co-Op. Society Ltd.	100	1	0.00	1	0.00
Total			<u>7.50</u>		<u>7.50</u>

As at 31.03.2014
₹ in lakhs

As at 31.03.2013
₹ in lakhs

15. LONG-TERM LOANS AND ADVANCES

Unsecured - Considered good		
Capital Advances	2.00	9.90
Security Deposits	83.68	49.77
Other Loans and Advances		
- Commercial Advance	7.20	34.80
- Loans to Employees	1.92	3.94
Total	<u>94.80</u>	<u>98.41</u>

16. INVENTORIES

As taken, valued and certified by Management

Raw materials	3,440.64	3,202.16
Finished goods	949.93	891.32
Packing materials	309.96	386.65
Stores & spares and consumables	269.37	257.02
Total	<u>4,969.90</u>	<u>4,737.15</u>

See Note 1 (vi) for method of valuation of Inventories.

As at 31.03.2014
₹ in lakhs

As at 31.03.2013
₹ in lakhs

17. TRADE RECEIVABLES

(i) Considered good

Debts outstanding for a period exceeding 6 months from the date they are due for payment

Secured	2.22		2.05	
Unsecured	<u>1.16</u>	3.38	<u>0.73</u>	2.78

Other debts

Secured	5.31		4.03	
Unsecured	<u>8.30</u>	13.61	<u>22.45</u>	26.48

(ii) Considered doubtful

Debts outstanding for a period exceeding 6 months from the date they are due for payment- unsecured
Less: Provision for doubtful debts

	12.82		14.23	
	<u>(12.82)</u>	—	<u>(14.23)</u>	—

Total

	<u>16.99</u>		<u>29.26</u>	
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18. CASH AND CASH EQUIVALENTS

Balance with Banks	171.64		199.24	
Cheques/drafts on hand	102.82		129.00	
Cash on hand	39.87		47.53	
Stamps on hand	<u>0.08</u>		<u>0.01</u>	
Total	<u>314.41</u>		<u>375.78</u>	

Note 18.1 Balance with banks include restricted bank balances of ₹ 47.44 lakhs (Previous year ₹ 49.88 lakhs) and time deposit with banks with a maturity of more than 12 months ₹ 0.02 lakh (Previous year ₹ 0.02 lakh). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees ₹ 7.51 lakhs (Previous year ₹ 13.57 lakhs) and earmarked balances for unpaid dividends ₹ 39.93 lakhs (Previous year ₹ 36.31 lakhs).

As at 31.03.2014
₹ in lakhs

As at 31.03.2013
₹ in lakhs

19. SHORT TERM LOANS AND ADVANCES

Advances recoverable in cash or in kind or for value to be received

(a) Unsecured - Considered Good

- Prepaid Expenses	228.20		150.63	
- Advances to Employees	71.99		72.97	
- Balance with government authorities	21.21		20.67	
- Other Advances	<u>162.54</u>	483.94	<u>86.36</u>	330.63

(b) Unsecured - Considered Doubtful

Less : Provision for doubtful advances	5.18		5.18	
	<u>(5.18)</u>	—	<u>(5.18)</u>	—

Total

	<u>483.94</u>		<u>330.63</u>	
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20. OTHER CURRENT ASSETS

Unsecured - Considered Good

Interest accrued on Bank Deposits	4.65		6.22	
Interest accrued on Loans to Employees	1.26		1.25	
Others	<u>3.16</u>		<u>1.65</u>	

Total

	<u>9.07</u>		<u>9.12</u>	
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	Year Ended 31.03.2014 ₹ in lakhs	Year Ended 31.03.2013 ₹ in lakhs
21. OTHER INCOME		
Interest income		
- from banks (TDS ₹ 0.09 lakh - Previous year ₹ 0.25 lakh)	5.55	8.02
- from others (TDS ₹ 0.34 lakh - Previous year ₹ 0.22 lakh)	<u>18.08</u>	<u>13.81</u>
	23.63	21.83
Dividend income from current investments	5.32	0.40
Insurance claim received	0.47	0.13
Exchange rate fluctuation gain (net)	—	16.93
Excess provision for doubtful debts written back	1.42	3.72
Profit on sale of fixed assets (net)	3.85	5.43
Miscellaneous income	<u>55.09</u>	<u>59.74</u>
Total	<u>89.78</u>	<u>108.18</u>
22. COST OF MATERIALS CONSUMED		
Opening Stock	3,202.16	2,795.16
Purchases	<u>69,418.72</u>	<u>60,879.14</u>
	72,620.88	63,674.30
Less : Closing stock	<u>3,440.64</u>	<u>3,202.16</u>
Cost of Materials consumed	<u>69,180.24</u>	<u>60,472.14</u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS		
Opening stock	891.32	893.52
Closing stock	<u>949.93</u>	<u>891.32</u>
Changes in inventories of finished goods	<u>(58.61)</u>	<u>2.20</u>
24. EMPLOYEE BENEFITS EXPENSES		
Remuneration and benefits to Employees and Directors		
Salary, wages, gratuity and bonus	2,349.17	1,983.67
Contribution to Provident Fund	175.63	143.38
Contribution to Employees' State Insurance Corporation	60.91	56.74
Contribution to KSE Ltd. Employees' Group Gratuity Fund Trust	119.14	41.87
Staff welfare expenses	<u>153.03</u>	<u>122.41</u>
Total	<u>2,857.88</u>	<u>2,348.07</u>
25. FINANCE COSTS		
Interest Expenses		
- on Term Loan	11.33	31.58
- on Cash Credit	107.65	113.87
- on Buyers' Credit	3.39	5.00
- on Short term Rupee Loan	—	40.41
- on Public Deposits	112.52	114.34
- on Others	<u>0.46</u>	<u>5.52</u>
	235.35	310.72
Other Borrowing Costs	1.31	2.93
Total	<u>236.66</u>	<u>313.65</u>
Note 25.1: Interest Expenses on Public Deposits include ₹ 0.95 lakh (Previous year ₹ 0.80 lakh) being interest paid on deposits accepted from Directors.		

	Year Ended 31.03.2014 ₹ in lakhs	Year Ended 31.03.2013 ₹ in lakhs
26. DEPRECIATION AND AMORTISATION EXPENSES		
Tangible Assets	361.78	408.15
Intangible Assets	13.99	13.95
Total	<u>375.77</u>	<u>422.10</u>

27. OTHER EXPENSES

Processing charges	925.17	780.99
Packing materials consumed	2,287.80	2,180.33
Power and fuel	1,208.91	1,288.99
Freight	314.25	294.88
Stores and spares consumed	354.00	442.91
Rent (See Note 29.4)	12.30	11.94
Rates and taxes	70.20	51.16
Repairs		
Plant and machinery	27.74	31.71
Building	35.08	31.56
Vehicles	14.05	10.91
Others	95.73	93.73
	<u>172.60</u>	<u>167.91</u>
Travelling and conveyance	39.83	42.78
Advertisement and Sales promotion	101.49	88.31
Postage and telephone	24.20	22.25
Printing and stationery	22.34	19.28
Insurance	29.02	27.69
Sitting fees to Directors	9.91	10.11
Payments to Auditors and expenses		
For Audit	9.50	8.50
For Tax audit	0.60	0.60
For Sales-tax audit	0.90	0.60
For Taxation matters	0.10	0.05
For Limited Review	1.50	1.50
For Certification works	0.36	0.35
Travelling and out-of-pocket expenses	2.45	2.74
Service Tax on the above	1.49	1.28
	<u>16.90</u>	<u>15.62</u>
Professional charges	31.10	22.26
Commission and Brokerage	1.47	2.42
Bank Charges	63.10	54.29
Loss on exchange rate fluctuation (net)	20.72	—
Irrecoverable debts/advances written off	—	3.80
General charges	78.99	73.72
Total	<u>5,784.30</u>	<u>5,601.64</u>

28. EARNINGS PER SHARE

Profit for the year as per Statement of Profit and Loss (₹ in lakhs)	1,537.36	465.30
Number of Equity Shares	32,00,000	32,00,000
Basic and diluted earnings per share (₹)	48.04	14.54

29.6 Disclosures required under Accounting Standard 15 “Employee Benefits” (Revised 2005)

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:

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
Employer’s Contribution to Provident Fund	175.63	143.38
Employer’s Contribution to Employee’s State Insurance Corporation	60.91	56.74

II. Defined Benefit Plan / Other Long Term Benefits

	Gratuity (Funded)		Compensated Absences (Funded)	
	2013-14	2012-13	2013-14	2012-13
(i) Actuarial assumptions				
Discount rate (per annum)	8%	8%	8%	8%
Expected rate of return on plan assets (per annum)	8%	8%	8%	8%
Salary escalation rate* (per annum)	7%	7%	7%	7%
(* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.)				
Mortality Rate	Indian Lives Mortality (1994-96) Ultimate Table		Indian Lives Mortality (1994-96) Ultimate Table	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(ii) Reconciliation of present value of obligations				
Present value of obligation at the beginning of the year	788.45	713.94	64.98	63.01
Current Service cost	51.02	53.36	92.06	71.53
Interest Cost	65.12	59.25	8.88	7.90
Actuarial (gain) / loss	79.86	(3.06)	(40.56)	(55.54)
Benefits paid	(35.62)	(35.04)	(34.32)	(21.92)
Present value of obligation at the end of the year	948.83	788.45	91.04	64.98
(iii) Reconciliation of fair value of plan assets				
Fair value of plan assets at the beginning of the year	895.12	740.93	100.48	82.11
Expected return on plan assets	71.61	59.27	8.04	6.57
Actuarial gain / (loss)	5.25	8.41	(1.26)	1.07
Contributions	201.83	121.55	--	11.00
Benefits paid	(35.62)	(35.04)	(0.06)	(0.27)
Fair value of plan assets at the end of the year	1,138.19	895.12	107.20	100.48
(iv) Description of Plan Assets				
Insurer Managed Assets	1,138.19	895.12	107.20	100.48
(v) Net (Asset) / Liability recognised in the Balance Sheet as at the year end				
Present value of obligation at the end of the year	948.83	788.45	91.04	64.98
Fair value of plan assets at the end of the year	1,138.19	895.12	107.20	100.48
Net present value of unfunded obligation recognised- as (asset) / liability in the Balance Sheet	(189.36)	(106.67)	(16.16)	(35.50)
(vi) Expenses recognised in the Statement of Profit and loss				
Current Service Cost	51.02	53.36	92.06	71.53
Interest Cost	65.12	59.25	8.88	7.90
Expected return on plan assets	(71.61)	(59.27)	(8.04)	(6.57)
Actuarial (gain) / loss recognised in the period	74.61	(11.47)	(39.30)	(56.61)
Total expenses recognised in the Statement of Profit and Loss for the year	119.14	41.87	53.60	16.25
Actual return on plan assets	76.86	67.68	6.78	7.64
(vii) Non-current and current value of obligation				
Non-current	838.55	744.43	85.34	60.11
Current	110.28	44.02	5.70	4.87
Total value of obligation	948.83	788.45	91.04	64.98

The above disclosures are based on information certified by the independent actuary and relied upon.

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

₹ in lakhs

	Animal Feed	Oil Cake Processing	Dairy	Total
a) Segment Revenue	67,987.01 (59,220.81)	17,132.44 (14,448.56)	2,261.43 (2,066.90)	87,380.88 (75,736.27)
Less : Inter-segment Revenue	—	6,750.55 (6,018.56)	—	6,750.55 (6,018.56)
Total Revenue	67,987.01 (59,220.81)	10,381.89 (8,430.00)	2,261.43 (2,066.90)	80,630.33 (69,717.71)
b) Segment Results	1,701.50 (882.03)	784.44 (- 46.88)	159.69 (163.96)	2,645.63 (999.11)
Less : Unallocated expenditure(net of unallocated income)	—	—	—	65.10 (19.37)
Less : Finance costs	—	—	—	236.66 (313.65)
Total Profit before tax	—	—	—	2,343.87 (666.09)
c) Segment Assets	6,756.24 (6,472.03)	1,660.16 (1,877.60)	680.22 (660.64)	9,096.62 (9,010.27)
Unallocated Assets	—	—	—	453.67 (522.03)
Total Assets	—	—	—	9,550.29 (9,532.30)
d) Segment Liabilities	1,346.00 (1,431.67)	326.06 (178.52)	94.68 (86.73)	1,766.74 (1,696.92)
Unallocated Liabilities	—	—	—	2,925.46 (3,765.88)
Total Liabilities	—	—	—	4,692.20 (5,462.80)
e) Segment Capital Expenditure	27.46 (722.93)	4.60 (15.30)	67.54 (18.37)	99.60 (756.60)
Unallocated Capital Expenditure	—	—	—	0.31 (28.47)
Total Capital Expenditure	—	—	—	99.91 (785.07)
f) Segment Depreciation and amortisation expenses	227.85 (256.93)	76.34 (86.63)	50.49 (54.92)	354.68 (398.48)
Unallocated Depreciation	—	—	—	21.09 (23.62)
Total Depreciation and amortisation expenses	—	—	—	375.77 (422.10)
g) There is no significant non-cash expenses, included in segment expenses, other than depreciation and amortisation expenses in respect of segment assets.				

Notes : a) Unallocated assets include non-current investments ₹ 7.50 lakhs (₹ 7.50 lakhs) and cash and bank balances ₹ 314.41 lakhs (₹ 375.78 lakhs).

b) Unallocated liabilities include deferred tax ₹ 155.32 lakhs (₹ 170.29 lakhs), long-term borrowings ₹ 649.25 lakhs (₹ 688.30 lakhs), short-term borrowings ₹ 728.90 lakhs (₹ 1,945.59 lakhs), provision for taxation (net of advance) ₹ 29.03 lakhs (₹ 47.26 lakhs) and provision for proposed dividend and dividend distribution tax ₹ 748.77 lakhs (₹ 374.38 lakhs).

c) Figures in brackets denote the corresponding figures for the previous year.

29.8 Related Party Disclosure

a) Key management personnel

Mr. M.C. Paul - Chairman and Managing Director
Mr. P.K. Varghese - Executive Director

b) Enterprises over which key management personnel and their relatives are able to exercise significant influence having transactions with the Company

M/s. Emceeppee Traders; M.C. Paul & Sons; MCP Rose Super Market Pvt. Ltd.; Emceeppee Agencies; Surya Agencies; and Pokkath Auto Fuels.

c) Relatives of Key Management Personnel having transactions with the Company

Mrs. Annie Paul; Mrs. Pushpam Bright; Dr. Francis Alappat; ; Mr. Bellraj Eapen; Mrs. Megha Ann Tomy; Mrs. Mariamma Francis; Mrs. Seema Suresh; Mrs. Sawmiya Varghese and Mrs. Alpo Varghese.

d) Transactions with related parties during the year

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
i) Payment to key management personnel		
Remuneration	45.19	31.97
Balance outstanding as at the year end		
- Payables (bonus payable and gratuity provided in accounts)	44.87	34.30
- Receivables	—	—
ii) Transactions with enterprises over which key management personnel and their relatives are able to exercise significant influence		
Sale of products	112.49	128.68
Purchase of materials	22.92	3.12
Sales Promotion	0.36	0.47
Security deposit Interest	—	0.02
Expenses reimbursed	—	0.02
Balance outstanding as at the year end		
- Payables	0.35	0.51
- Receivables	—	—
iii) Transactions with relatives of key management personnel		
Interest on fixed deposits paid / due	7.87	8.99
Balance outstanding as at the year end		
- Payables (fixed deposits including accrued interest)	74.92	68.45
- Receivables	—	—

e) 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.

29.9 Raw materials consumed

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
(a) Coconut Oil Cake	15,864.25	14,136.21
(b) Rice Bran	25,854.37	21,895.04
(c) Maize	11,710.23	11,689.12
(d) Cotton Seed Cake	4,874.35	3,693.53
(e) Milk	1,132.65	1,035.30
(f) Others	9,744.39	8,022.94
Total	69,180.24	60,472.14

29.10 Particulars in respect of stock and turnover

(₹ in lakhs)

Sl. No.	Class of goods manufactured	Opening Value		Closing Value		Sales Value	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1.	Ready-mixed Cattle Feed and Feed Supplement	339.80	265.75	484.75	339.80	67,740.59	58,959.79
2.	De-oiled Coconut Cake	222.89	150.59	268.64	222.89	5,238.28	4,397.98
3.	Refined Oil	21.12	146.34	51.92	21.12	4,111.48	2,572.77
4.	Solvent Extracted Coconut oil	266.26	292.46	107.88	266.26	908.76	1,339.98
5.	Milk	2.80	3.05	4.11	2.80	1,332.22	1,286.25
6.	Ice Cream	23.00	18.49	21.43	23.00	696.49	593.67
7.	Others	15.45	16.84	11.20	15.45	602.51	567.27
	Total	891.32	893.52	949.93	891.32	80,630.33	69,717.71

29.11 Consumption of raw materials and stores and spares

	Year ended 31 st March 2014		Year ended 31 st March 2013	
	%	₹ in lakhs	%	₹ in lakhs
(a) Raw Materials				
Imported	3.00	2,077.02	3.78	2,287.37
Indigenous	97.00	67,103.22	96.22	58,184.77
Total	100.00	69,180.24	100.00	60,472.14
(b) Stores and Spares				
Imported	3.85	13.63	2.57	11.38
Indigenous	96.15	340.37	97.43	431.53
Total	100.00	354.00	100.00	442.91

(₹ in lakhs)

	Year ended 31.03.2014	Year ended 31.03.2013
29.12 CIF value of imports - Raw materials	1,703.43	872.31
- Capital goods	Nil	22.06
- Stores and Spares	4.67	18.96
29.13 Expenditure in Foreign Currency	3.50	5.19
29.14 Earnings in Foreign Exchange	Nil	Nil
29.15 Remittance in foreign currencies on account of dividend (including remittance to NRE accounts)		
i) No. of Non-Resident shareholders	24	25
ii) No. of shares held by them	14,781	15,758
iii) Dividend remitted in Foreign Currency	Nil	Nil

M.C. Paul
Chairman & Managing Director

P.K. Varghese

Executive Director

As per our report of even date attached

A.P. George

Director & Legal Advisor

For **VARMA & VARMA**
(Firm No. 004532 S)

R. Sankaranarayanan
Company Secretary-cum-General Manager (Finance)

K.P. John

Director

Sd/-

PD. Anto

Director

(C. Pankajakshan, M. No. 12948)
Partner
Chartered Accountants

May 29, 2014

SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

₹ in lakhs

	2013-14	2012-13	2011-12	2010-11	2009-10
A. ASSETS					
1. Net Fixed Assets:					
Gross Fixed Assets	8110.64	8078.29	7308.62	7194.27	6956.64
Less Depreciation/amortisation	4456.96	4133.84	3725.22	3410.49	2962.55
	3653.68	3944.45	3583.40	3783.78	3994.09
2. Investments	7.50	7.50	7.50	7.50	407.61
3. Long term advances and Current Assets	5889.11	5580.35	5046.59	3919.18	3277.43
Total assets	9550.29	9532.30	8637.49	7710.46	7679.13
B. LIABILITIES					
1. Secured and unsecured loans	1667.37	2994.24	2622.47	2525.16	2923.18
2. Other Liabilities	3024.83	2468.56	2043.84	1849.95	1498.50
Total liabilities	4692.20	5462.80	4666.31	4375.11	4421.68
C. NET WORTH (A-B)					
	4858.09	4069.50	3971.18	3335.35	3257.45
REPRESENTED BY					
1. Share Capital	320.00	320.00	320.00	320.00	320.00
2. Reserves and Surplus	4538.09	3749.50	3651.18	3015.35	2937.45
Shareholder's equity	4858.09	4069.50	3971.18	3335.35	3257.45

SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

₹ in lakhs

	2013-14	2012-13	2011-12	2010-11	2009-10
A. EARNED FROM					
1. Sales	80630.33	69717.71	54222.00	45368.03	37094.19
2. Other income	89.78	108.18	114.28	68.04	133.69
	80720.11	69825.89	54336.28	45436.07	37227.88
B. PAID AND PROVIDED FOR					
1. Raw materials and finished goods	69121.63	60474.34	45026.54	38060.08	30222.60
2. Manufacturing, administrative, selling and other expenses	5784.30	5601.64	4730.89	4161.05	3589.23
3. Employees' benefits expenses	2857.88	2348.07	2287.07	1855.14	1498.68
4. Finance costs	236.66	313.65	245.27	236.64	266.92
5. Depreciation/amortisation	375.77	422.10	459.47	455.85	384.31
	78376.24	69159.80	52749.24	44768.76	35961.74
C. PROFIT BEFORE TAX (A-B)					
	2343.87	666.09	1587.04	667.31	1266.14
Less: Tax Expenses	806.51	200.79	542.11	217.50	438.87
D. NET PROFIT AFTER TAX					
	1537.36	465.30	1044.93	449.81	827.27
APPROPRIATED TO					
1. Dividend	640.00	320.00	352.00	320.00	320.00
2. Dividend distribution tax	108.77	54.38	57.10	51.91	53.15
3. Retained in business	788.59	90.92	635.83	77.90	454.12
	1537.36	465.30	1044.93	449.81	827.27

PRODUCTION UNITS

KERALA

KSE Limited
Irinjalakuda Unit, P.B. No. 20,
Solvent Road, Irinjalakuda - 680 121
Tel: 0480 2825476, 2825576, 2826676
Fax: 0480 2826075, 2825809 E-mail: ksekerala@gmail.com

KSE Limited
Koratty Unit, KINFRA Park, Nalukettu Road,
Koratty - 680 309, Thrissur Dist.
Tel: 0480 3257651, 2735855, 2734590
Fax : 0480 2735855

KSE Limited
Vedagiri Unit, Kurumullur, Athirampuzha,
Kottayam Dist. - 686 632.
Tel: 0481 2536829, 2538718, 2538719
Fax: 0481 2536830

KSE Limited
Palakkad Unit, Othungode, Kerala,
Palakkad - 678 020
Tel: 0491 2536332, 2531858. Fax: 0491 2538451

KSE Limited
Dairy Unit, Konikkara, Marathakkara P.O.,
Thrissur - 680 320 Tel: 0487 2351501, 2358806
Fax: 0487 2356394

KSE Limited
Ice Cream Unit, Vedagiri,
Kurumullur, 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

BRANCH

KSE Limited
XXXIII / 2837, Paropadi, Merikkunnu P.O.,
Kozhikode - 673 012. Tel: 0495 2370056, 2900194



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