



**KSE**  
LIMITED  
CIN No. L15331KL1963PLC002028  
AN ISO 9001 : 2015 COMPANY

Post box No. 20, Irinjalakuda Kerala - 680 121  
Tel : 0480-2825476, 2825576, 2826676  
E-mail:ksekerala@gmail.com,Website:www.kselimited.com

01.08.2023

BSE Limited  
Corporate Relationship Department  
First Floor, New Trading Ring  
Rotunda Building  
P.J. Towers, Dalal Street  
Mumbai – 400 001.

Dear Sir,

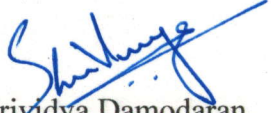
Sub: Filing of Annual Report for the Financial Year 2022-23 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the copy of Annual Report for the Financial Year 2022-23 is submitted herewith. Kindly take the same on record.

Thanking You,

Yours faithfully,

For **KSE Limited**

  
Sriyidya Damodaran  
Company Secretary

**2022-2023**



**50<sup>th</sup> ANNUAL  
REPORT**



**KSE**  
LIMITED





Support to  
Educational  
Institutions



Support to Dairy Farmers



CIN : L15331KL1963PLC002028

#### Registered Office

Solvent Road, Irinjalakuda,  
Kerala -680 121

#### Statutory Auditors

M/s. Sridhar & Co.  
Chartered Accountants  
(Firm Reg. No. 003978S)  
"Sreenidhi", T. C - 37/ 275,  
Fort, Thiruvananthapuram - 695023

#### Secretarial Auditors

M/s. BVR & Associates Company  
Secretaries LLP (Firm Regn. AAE-7079),  
Swastika, First Floor, Chitteth Building,  
P C Road, Vytilla P.O, Cochin - 682019.

#### 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,  
"Surya", 35, Mayflower Avenue  
Behind Senthil Nagar  
Sowripalayam Road  
Coimbatore - 641028.  
Phone : 0422 4958995, 2539835,2539836  
Mail : info@skdc-consultants.com

#### Internal Auditors

M/s. Varma & Varma,  
Chartered Accountants,  
Thrissur

M/s. Srikishen & Co.,  
Chartered Accountants  
Coimbatore - 641 006

M/s. C. Krishnakumar & Associates  
Chartered Accountants,  
Trichur - 680 002

#### Chief Financial Officer

R. Sankaranarayanan

#### Company Secretary

Srividya Damodaran

#### Annual General Meeting

On Saturday,  
26<sup>th</sup> August, 2023 at 3.00 p.m.

#### Venue

Registered Office,  
Solvent Road, Irinjalakuda - 680 121

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## BOARD OF DIRECTORS

Sl. No.	Name	DIN	Designation
1	Mr. Tom Jose	01971467	Chairperson Non-Executive - Non Independent Director
2	Mr. M.P. Jackson	01889504	Managing Director
3	Mr. Paul Francis	00382797	Executive Director
4	Mr. P.D. Anto	00106965	Non-Executive - Non Independent Director
5	Mrs. Marykutty Varghese	07307987	Non-Executive - Non Independent Director
6	Dr. Pyarelal K.C.	00923913	Non-Executive - Non Independent Director
7	Ms. Danesa Raghulal	07975553	Non-Executive - Non Independent Director
8	Mr. Dony A.G.	09211623	Non-Executive - Non Independent Director
9	Ms. Simi Davis	09752318	Non-Executive - Non Independent Director
10	Ms. Seema Davis	08125964	Non-Executive - Non Independent Director
11	Dr. Jose Paul Thaliyath	01773031	Non-Executive - Independent Director
12	Mr. Verghese C.V.	00779894	Non-Executive - Independent Director
13	Mr. Jose John	01797056	Non-Executive - Independent Director
14	Mr. Paul Jose Thaliyath	01616504	Non-Executive - Independent Director
15	Mrs. Nina Paul	08576074	Non-Executive - Independent Director

## Financial Highlights

	<b>2022-2023</b> ₹ in Lakhs	2021-2022 ₹ in Lakhs
Sales and other Income	<b>161540.18</b>	167605.45
Gross Profit (Profit before Depreciation and Finance costs)	<b>226.33</b>	1704.99
Profit before tax	<b>(298.63)</b>	927.88
Profit / (Loss) for the year (after tax)	<b>(238.14)</b>	657.13
Other Comprehensive Income (net of tax)	<b>5.30</b>	32.25
Total Comprehensive Income (after tax)	<b>(232.84)</b>	689.38
Shareholders' Equity (Net worth)	<b>21405.16</b>	22278.00
Capital employed	<b>22755.27</b>	23520.50
	<b>₹</b>	<b>₹</b>
Shareholders' equity per share	<b>668.91</b>	696.19
Earnings per share of ₹10 each	<b>(7.44)</b>	20.54
Dividend	<b>200%</b>	200%



## Message from the Chairman



**Shri. TOM JOSE, IAS (Retd.)**  
Chairman

Dear Shareholders:

Greetings!

It is my privilege to present the Annual Report of KSE for Fiscal Year (FY) 2022-23.

Before reviewing KSE's performance, it's important to set the context. The repercussions of the turbulent economic times that surround us have made managing organizations challenging and we are not immune to them.

As the global economy was rebounding from the pandemic induced distress, the outbreak of the Russia-Ukraine conflict in February 2022 added additional pressures on the system leading to continued supply chain challenges as well as inflationary pressures. The commodity prices soared to record levels due to the impending logistics and supply chain disruptions amid growing demand from the large consumption driven economies. The industry witnessed unprecedented inflation in input commodities such as soybean meal, maize, coconut cake, and de-oiled rice bran cakes. Rising energy costs added additional punch to the inflationary situation.

However, KSE continues to operate on its original promise of providing excellent value and service to our customers and shareholders. The recent economic, environmental, and internal operational challenges have tested the company as never before. To regain profitability, the company must carefully navigate the priorities of growth, price competitiveness, and our stakeholder commitments. While there were no easy solutions to the challenges faced during the financial year, we did not waver in our resolve to deliver on short-term expectations, make progress on our long-term ambitions, and remain true to our core values.

KSE's performance for FY 2022-23 has been mixed. Total Turnover for FY 2022-23 is ₹160988.36 lakhs as against ₹167005.82 for FY 2021-22. The net loss before tax for FY 2022-23 is ₹298.63 lakhs as against net profit before tax of ₹927.88 lakhs for FY 2021-22.

The sales volume of the Livestock Feed decreased whereas the Coconut Oil division and the Milk Procurement and Processing divisions increased. However, increase in the sales volume did not translate into increased profit as the additional cost of production was not passed on to the customers in the form of enhanced prices. As a result, the company overall suffered a loss for the year. The details of the performance of the three divisions are as follows.

**Livestock Feed Division:** The sales volume of cattle feed for FY 2022-23 is at 545611 tons as against 620377 tons during FY 2021-22 resulting in a reduction of 12.05%.

**Coconut Oil Division:** The processing of copra cake reduced by 9.72% in the year 2022-23. Further, due to the steep fall in the price of refined coconut oil during the year, the turnover of cake processing line reduced by 11.94%.

**Dairy (Milk Procurement and Processing) Division:** The volume of sale of milk increased by 23.76% compared to previous year. As a consequence of state government's price policy, there was constraint on the company to decide on the selling price to match the price of procurement. Ice cream, one of the major products of the division, showed a strong growth in sales volume, however, this did not result in profitability mainly due to the increased cost of raw material procurement. As the main ingredient for ice cream is milk and cream, the cost of production of ice cream increased with the increase in the cost of milk. Another factor that weighed negatively on the bottom line is ₹2.70 crores spent for advertisements on marketing of ice cream under the brand name Vesta. By consistent efforts, the sales volume of ice cream registered a growth of nearly 40% in the current year under report; however, the net result was a loss. As part of market entry strategy, the prices of all varieties of ice cream were slightly lower than that of other competing brands, and at the same time, the highest quality was ensured. Thus, Dairy division as a whole reported a loss of ₹6.42 crores in year 2022-23.



As you all are aware, KSE has maintained a steady dividend payout during the previous years. During last five years we have paid dividends of 600%, 150%, 200%, 1000%, and 200% respectively. In order to maintain continuity in payment of dividend, despite losses, your Board has recommended a dividend of 200% this year as well.

The share prices of a company are considered as an indicator of its health and market acceptability. For the last several months, KSE's share prices have been fluctuating rather wildly. From ₹2166.55 on April 1, 2022, it has gone down to ₹1714.60 as this message goes to print on 25th May 2023. Your Board has noticed this tendency and is formulating a strategy for market stabilisation which will be explained elsewhere in this message.

In spite of the overall loss for FY 22-23, the future of the company looks bright. Strong consumer demand, a commitment to strategic growth, and a value proposition based on customer service, quality, and cost competitiveness promise to take KSE to new heights.

Customer demand for KSE's products remain strong. India currently represents one of the largest feed producers in the world. The rising demand for meat and animal-based products, along with the increasing commercial livestock production, is primarily driving the Indian animal feed market. According to experts, the Indian animal feed market size is further expected to grow at a CAGR of 8.7% between 2023 and 2028. Further, India is among the world's largest manufacturers of dairy products, which is a major driver for the India ice cream market. Ice cream is currently considered to be one of India's most popular desserts. Due to the prevailing hot and humid climate in the region, as well as the shift in customer food tastes, dessert sales are constantly increasing throughout the region. KSE is confident of tapping the Kerala and Tamil Nadu markets with its wide variety of premium products and thereby reaching the target turnover and profitability. Sales volume of refined coconut oil is at 9143 tons for FY 2022-23 as against 8751 tons for FY 2021-22 resulting in 4.48% growth. The average realisation for coconut oil is ₹1.19 lakhs per ton during the year 2022-23, whereas the same was ₹1.47 lakhs and ₹1.54 lakhs per ton respectively for years 2021-22 and 2020-21. In March, 2021 the coconut oil price was around ₹1.90 lakhs per ton which came down to the level of ₹1.15 lakhs per ton in March, 2023. Due to the steep fall in the price of refined coconut oil during the year 2022-23, the turnover of cake processing division reduced by 11.94%.

KSE is committed to strategic growth. Your company is taking significant steps towards becoming growth oriented and building strong organizational capabilities. The company has decided to formulate a growth strategy for upcoming years. Grant Thornton, an internationally acclaimed accounting and consulting agency, has been engaged to conduct a detailed strategic study of the opportunities and threats of the external marketplace conditions as well as the strengths and weaknesses of the internal operations of the company. This study will add in the formulation and implementation of additional strategies necessary to achieve the major strategic goals of the company – strong profitability, operational excellence, and accountability to shareholders. Diversifying its businesses into different profitable sectors and exploring new geographic markets are deemed important to meet the challenges of the future. Operational efficiencies will be aggressively sought to improve margins and regain profitability. Investing in the company's future through increased research and development efforts as well as employee learning and training is an important part of our strategic plan. The first ever letter to shareholders in KSE's history is a step to provide more transparency to the reporting of financial results as well as an indication to the directions the company is planning to take. In future, we will also report on important non-financial metrics, such as company's efforts on improving social and environmental sustainability and its contribution in nation building.

We will build on KSE's rich heritage and long-standing brand commitment to quality, customer service and value. We are confident in overcoming this difficult phase and returning the company to its record of solid profitability soon. Your company is committed to strengthening its core businesses, accelerating innovation and unlocking efficiencies while exploring new opportunities, both organic and inorganic, in building for the future.

I am grateful to all stakeholders and business partners for their contributions. The loyalty and confidence of our customers, the dedication of our employees, and the unwavering support of our suppliers, dealers, and retail partners have been instrumental in the steady progress the company has made thus far. Though we are one of the largest manufacturers of compound cattle feed in India, we still remain a small company at heart – committed to our farmers, consumers of dairy products, employees and local communities.

Dear fellow shareholders, I value your partnership immensely and solicit your assistance and cooperation on this journey of taking our company to new heights together.

Thank you.



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

## NOTICE OF THE 59<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 59<sup>th</sup> Annual General Meeting (AGM) of the members of KSE Limited, Irinjalakuda will be held at the Registered Office of the Company, Irinjalakuda - 680 121 on Saturday, the 26<sup>th</sup> August, 2023 at 3.00 p.m. to transact the following businesses:

### ORDINARY BUSINESS

#### 1. Adoption of Accounts for the year ended 31<sup>st</sup> March, 2023

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 31<sup>st</sup> March, 2023 including the balance sheet as at 31<sup>st</sup> March, 2023 and the statement of profit and loss for the year ended 31<sup>st</sup> March, 2023 together with the reports of the board of directors and the auditors of the Company thereon, as presented to the meeting, be and are hereby received, approved and adopted.”

#### 2. Declaration of dividend on equity shares at the rate of ₹ 20 per equity share

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

“RESOLVED THAT dividend of ₹ 20 per equity share on 32,00,000 equity shares of ₹ 10 each be and is hereby declared for the financial year ended 31<sup>st</sup> March, 2023, utilising the the retained earnings created out of distributable profits of the Company, thereby absorbing an aggregate amount of ₹ 6.40 crores and that the dividend of ₹ 20 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 25<sup>th</sup> May, 2023 be paid to those shareholders, whose names appear in the Company’s register of members as on 26<sup>th</sup> August, 2023 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 19<sup>th</sup> August, 2023 as per the details furnished by the depositories for this purpose.”

#### 3. Reappointment of Director, retiring by rotation, Dr. Pyarelal K.C. (DIN : 00923913)

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

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

#### 4. Reappointment of Director, retiring by rotation, Mr. Dony A.G. (DIN : 09211623)

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

“RESOLVED THAT Mr. Dony A.G. (DIN : 09211623), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company.”

#### 5. Reappointment of Director, retiring by rotation, Ms. Danesa Raghulal (DIN : 07975553)

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

“RESOLVED THAT Ms. Danesa Raghulal (DIN : 07975553), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as a director of the Company.”

## SPECIAL BUSINESS

### 6. Approval for acceptance of Deposits from Public/Members

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

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

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

### 7. Approval of remuneration to Cost Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. A.R. Narayanan & Co, Cost Accountants, Cochin, (ICAI Firm Registration No. 101421) appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending 31<sup>st</sup> March, 2024 be paid the remuneration of ₹ 2,25,000 plus GST and out of pocket expenses.

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

Irinjalakuda  
25<sup>th</sup> May, 2023

By Order of the Board  
For KSE Limited

REGISTERED OFFICE  
Solvent Road, Irinjalakuda – 680121  
Thrissur – KERALA.  
CIN : L15331KL1963PLC002028  
Web Site : www.kselimited.com  
E Mail : investor.relations@kselimited.com  
Phone : +91480 2825476; 2825576 (Extn: 234)

Sd/-  
Srividya Damodaran  
Company Secretary

## NOTES

1. The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 in respect of the Special Businesses set out above is annexed hereto.
2. As provided in Section 105 of the Companies Act, 2013, **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid.

Proxies, in order to be effective, should fill in the proxy form duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies and other bodies shall be supported by an appropriate resolution / letter of authority, as applicable.



3. Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, Notice of the AGM along with the Annual Report for the financial year 2022-2023 are being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depository Participant. Members may note that the Notice and Annual Report 2022-2023 will also be available on the Company's website [www.kselimited.com](http://www.kselimited.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of Central Depository Services Limited (CDSL) [www.evotingindia.com](http://www.evotingindia.com)
5. Relevant documents referred to in the accompanying notice and the explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 will be available for inspection at the registered office of the Company during business hours on all working days up to the date of Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> August, 2023 to 26<sup>th</sup> August, 2023 (both days inclusive).
7. The final dividend, if declared at the Annual General Meeting, would be paid/despached, subject to deduction of tax at source, after 26<sup>th</sup> August, 2023 to those persons or their mandates:
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on 19<sup>th</sup> August, 2023 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 26<sup>th</sup> August, 2023, in respect of shares held in physical mode.
8. Dividend income is taxable in the hands of shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates applicable to various categories, the shareholders are requested to refer to the Income tax Act, 1961 and amendments thereof. The shareholders are requested to update their Residential Status, Category and PAN with M/s. S.K.D.C. Consultants Limited, Registrars and Share Transfer Agents of the Company (in case of physical shares) and depositories (in case of demated shares).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [green@skdc-consultants.com](mailto:green@skdc-consultants.com) by 19<sup>th</sup> August, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email by 19<sup>th</sup> August, 2023 to [green@skdc-consultants.com](mailto:green@skdc-consultants.com).
9. Pursuant to the Regulation 40 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.
10. As per circular dated March 16, 2023 of SEBI if the security holders fails to update the KYC details for their physical shareholdings, the folios shall be frozen by the RTAs effective from October 1, 2023. As per the Circular, the security holder(s) whose folio(s) have been frozen shall be eligible (a) to lodge grievance or avail any service request from the RTA only after furnishing the complete documents / details of PAN, KYC details and Nomination (b) for any payment including dividend, interest or redemption payment in respect of such frozen folios only through electronic mode with effect from April 1, 2024. The prescribed standardised formats to update KYC, nomination and bank particulars are made available on the website of RTA.

11. 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 124 of the Companies Act, 2013. It may be noted that no claim shall lie against the Company 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 31<sup>st</sup> March 2016 onwards are requested to lodge their claim with the Company.
12. As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of the Unclaimed Dividends as on 31<sup>st</sup> March, 2022 relating to the financial years from 2014-2015, on the website of the IEPF ([www.iepf.gov.in](http://www.iepf.gov.in)) and on the website of the Company at [www.kselimited.com](http://www.kselimited.com).
13. Pursuant to Rule 6 of the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, read with Section 124 and 125 of the Companies Act, 2013, all shares in respect of which dividends are not claimed for the last seven years in respect of any shareholder have to be transferred to the IEPF Demat account. Shareholders who have not claimed their dividends during the last seven years can write to our Registrars & Share Transfer Agents M/s. S.K.D.C. Consultants Ltd. for further details and for making a valid claim for the unclaimed dividends. Concerned shareholders who wish to claim the shares/ Dividend(s) after transfer to IEPF, a separate application has to be made to the IEPF Authority in Form IEPF-5, as prescribed under the Rules.
14. 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, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028; Phone : 0422 4958995, 2539835, 2539836; Email: [info@skdc-consultants.com](mailto:info@skdc-consultants.com).
15. 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.
16. 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.
17. 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.
18. Information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the directors seeking appointment / re-appointment at the AGM are furnished and forms part of the notice.

## 18. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING

- (i) The Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting will be provided by CDSL.
- (ii) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kselimited.com](http://www.kselimited.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- (v) The remote e-voting period begins on 23<sup>rd</sup> August, 2023 at 9.00 a.m. and ends on 25<sup>th</sup> August, 2023 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 19<sup>th</sup> August, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 25<sup>th</sup> August, 2023.
- (vii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (viii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09-12-2020, on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.





Pursuant to abovesaid SEBI Circular, Login method for e-Voting for **Individual shareholders holding securities in Demat mode with CDSL / NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/ Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon and New System Myeasi Tab.</li> <li>2) After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting the vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="http://cdslindia.com">cdsl website www.cdslindia.com</a> and click on login and New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free No. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free No.: 1800 1020 990 and 1800 22 44 30

(ix) Login method for e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- a) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- b) Click on "Shareholders" module.
- c) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- f) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company, please enter the member id/ folio number in the Dividend Bank details field.

- g) After entering these details appropriately, click on "SUBMIT" tab.
- h) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 can be 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.



- i) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for “KSE LIMITED” on which you choose to vote.
- k) 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.
- l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- m) 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.
- n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- p) If a demat account holder has forgotten the login 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.
- q) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- r) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
  - It is mandatory that 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.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz [investor.relations@kselimited.com](mailto:investor.relations@kselimited.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - please update your email id and mobile number with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id and mobile number with your respective Depository Participant (DP) which is mandatory for remote e-Voting.

If you have any queries or issues regarding attending AGM and/or e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33.

## 19. OTHER MATTERS ON AGM AND REMOTE E-VOTING

- a) A Member can opt for only one mode of voting i.e. either through remote e-voting or in physical form at AGM.
- b) The remote e-voting period begins on 23<sup>rd</sup> August, 2023 at 9.00 a.m. and ends on 25<sup>th</sup> August, 2023 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 19<sup>th</sup> August, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 25<sup>th</sup> August, 2023.
- c) The instructions for participating in the remote e-voting are provided above.
- d) Members who have cast their vote by remote e-Voting, prior to the AGM, may attend the AGM and participate in the discussions.
- e) The Members who had not cast their vote by remote e-Voting and attending the AGM, shall be entitled to cast their vote by Ballot.
- f) If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
- g) The Company has made necessary arrangements with Central Depository Services Limited (CDSL) to facilitate the remote electronic voting in respect of the businesses set out in the notice convening the 59<sup>th</sup> Annual General Meeting of the Company.
- h) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investor.relations@kselimited.com](mailto:investor.relations@kselimited.com).
- i) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- j) Any member of the Company, who has become a member of the Company after the despatch of Notice but before the cut-off date may obtain their User ID and Password for Remote E-voting from the Registrars and Share Transfer Agents of the Company.
- k) The Board of Directors has appointed CS Yogindunath S. (Membership No. FCS 7865 and Certificate of Practice No. 9137) email id. - [yogi@directus.co.in](mailto:yogi@directus.co.in) or failing him, CS Vijay Sreenikethan (Membership No. FCS 7873 and Certificate of Practice No. 8268) email id. - [vijay@directus.co.in](mailto:vijay@directus.co.in), Partners of M/s. BVR & Associates Company Secretaries LLP, Practicing Company Secretaries, (Firm Registration No. AAE-7079) Swastika, First Floor, Chitteth Building, P C Road, Vytilla P.O, Cochin - 682019, as the Scrutinizer to scrutinize the remote e-Voting process as well as voting by ballot during the AGM in a fair and transparent manner.
- l) The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast prior to the AGM) and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- m) The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kselimited.com](http://www.kselimited.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited, where the securities of the Company are listed.
- n) Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM, that is, August 26, 2023.



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

### Item 6 - Approval for acceptance of Deposits from Public/Members

The Company is accepting Fixed Deposits from public and members complying with the conditions laid down by Sections 73 and 76 of the Companies Act, 2013 (“the Act”) and Companies (Acceptance of Deposits) Rules, 2014 (“the Rules”). 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 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. Where the deposits accepted are within the limits specified under clause (c) of sub-section (1) of Section 180, the Company may accept deposits by means of an ordinary resolution, as provided in the Rules.

The Rules provide that the invitation for deposits is valid only up to six months from the closure of the financial year in which the invitation was made or up to the date of Annual General Meeting, whichever is earlier. Afterwards, for all renewals and further acceptance of deposits, fresh invitation with consent of the Company in general meeting is necessary as mentioned above.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution, as set out at Item No. 6 of the Notice. This Resolution enables the Board of Directors of the Company to accept/renew deposits up to 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. 6 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 recommend the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the Members.

### Item 7 - 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 31<sup>st</sup> March, 2024 on a remuneration of ₹ 2,25,000 plus GST 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2024.

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

Irinjalakuda  
25<sup>th</sup> May, 2023

REGISTERED OFFICE  
Solvent Road, Irinjalakuda – 680121  
Thrissur – KERALA.  
CIN : L15331KL1963PLC002028  
Web Site : www.kselimited.com  
E Mail : investor.relations@kselimited.com  
Phone : +91480 2825476; 2825576 (Extn: 234)

By Order of the Board  
For KSE Limited

Sd/-

Srividya Damodaran  
Company Secretary



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

Resolution No.	Item 3	Item 4	Item 5
Name of Directors	Dr. Pyarelal K.C. (DIN: 00923913)	Mr. Dony A.G. (DIN: 09211623)	Ms. Danesa Raghulal (DIN: 07975553)
Date of Birth	16/04/1966	30/04/1964	08/08/1994
Date of Appointment	31/08/2018	29/09/2021	31/08/2018
Qualification	M.D. (Radio-Diagnosis)	B.Sc. (Physics), LLB Master of Marketing Management	B. Sc.
Experience	He is son of Late K. S. Chathunny who was a leading businessman of Thrissur and was also a Director of KSE Limited for many years until his demise in 1990. He has taken his M.D. (Radio-Diagnosis) from Kasturba Medical College, Manipal and is currently the Head of Department of Radiology at Elite Mission Hospital, in which he is also a Partner. He had active roles in organizing many conferences and symposiums during his professional career in Radio-diagnosis. He had held the positions of President and Secretary in the Kerala branch of Indian Radiological and Imaging Association. Being a sports enthusiast he was the President of Kinattungal Trichur Tennis Trust.	He hails from a leading business family, engaged in oil milling, is the elder son of Mr. A.P. George, Former Managing Director. He is currently the general manager of M/s. Joseph Rubber Pvt. Limited, Kanjirapally and is also acting as consultant for UNPA Rubber Pvt.Ltd., Kothamangalam and for Beroe Inc. USA.	She hails from a business family based at Thrissur, with a string of academic excellence and professional achievements including working in the startup space. She has done her Bachelors of Science in Entrepreneurship and Strategic Management from Babson College, Boston - ranked #1 for entrepreneurship globally with having achieved the Dean's List.
Directorships held in other Public Limited companies	Nil	Nil	Nil
Memberships / Chairmanships of committees of other Public Limited companies	Nil	Nil	Nil
Number of shares held in the Company as on 31.03.2023	23719	11612	5092



# LOCATION MAP OF THE VENUE FOR 59<sup>th</sup> ANNUAL GENERAL MEETING OF KSE LIMITED ON 26<sup>th</sup> AUGUST, 2023



Land Mark: Near KS Park  
Distance from Irinjalakuda Municipal Bus Stand : 1.50 km

## BOARD'S REPORT

Your Directors are pleased to present the 59<sup>th</sup> Annual Report and the audited accounts for the financial year ended 31<sup>st</sup> March 2023.

### Financial Highlights

	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
Revenue from Operations	1,60,988.36	1,67,005.82
Earnings Before Taxes, Finance Costs, Depreciation and Amortization	226.33	1,704.99
Less : Finance Costs	207.91	189.67
Less : Depreciation and Amortisation expense	435.52	302.33
Profit Before Exceptional Item and Tax	(417.10)	1,212.99
Exceptional Item	(118.47)	285.11
Profit Before Tax	(298.63)	927.88
Less : Tax Expense	(60.49)	270.75
Profit After Tax	(238.14)	657.13
Other Comprehensive Income (net of tax)	5.30	32.25
Total Comprehensive Income	(232.84)	689.38
Opening balance in Retained Earnings	6,559.61	8,590.23
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>6,326.77</b>	<b>9,279.61</b>
Dividend distributed during the year	640.00	2,720.00
Transfer to General Reserve	--	--
Closing Balance in Retained Earnings	5,686.77	6,559.61

### Dividend

The Company has incurred a net loss of ₹ 232.84 lakhs for the year ended 31<sup>st</sup> March, 2023 after all adjustments. Even though there is no profit, in order to maintain the continuity of payment of dividend, your Directors recommend a final dividend of 200 % (₹ 20.00 per share of ₹ 10 each) for the year ended 31<sup>st</sup> March, 2023 and that will be paid out of the retained earnings of the Company, absorbing a total amount of ₹ 640 lakhs. The dividend income will be taxable in the hands of shareholders and income-tax at source will be deducted by the Company from the dividend being paid to the shareholders at the prescribed rates.

The final dividend of ₹ 20 per equity share of ₹ 10 each as recommended by the Board of Directors of the Company at their meeting held on 25<sup>th</sup> May, 2023, if approved at the ensuing annual general meeting, will be paid to those shareholders, whose names appear in the Company's register of members as on 26<sup>th</sup> August, 2023. In respect of equity shares held in dematerialised form, the dividend will be paid to those beneficial owners of the equity shares as at the end of business hours on 19<sup>th</sup> August, 2023 as per the details furnished by the depositories for this purpose."

The Dividend Distribution Policy of the Company is available at <https://www.kselimited.com/admin/Files/184/DIVIDEND%20DISTRIBUTION%20POLICY.pdf>. The dividend payout for the year 2022-2023 has been decided in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met out of internal cash accruals.

### Unpaid Dividend

Pursuant to Section 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend up to and including for the financial year 2014-2015 on respective due dates to the Investor Education and Protection Fund administered by the Central Government.

As per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of the Unclaimed Dividends as on 31<sup>st</sup> March, 2022 relating to the financial years from 2014-2015, on the website of the IEPF ([www.iepf.gov.in](http://www.iepf.gov.in)) and on the website of the Company at [www.kselimited.com](http://www.kselimited.com).



The dates of declaration of Dividend since final dividend for 2015-2016 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the following table:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Unclaimed amount as on 31 <sup>st</sup> March 2023	Due date for Transfer to Investor Education and Protection Fund
2015-16 (Final)	31 August, 2016	30 August, 2023	12,36,700.00	07 October 2023
2016-17 (Final)	31 August, 2017	30 August, 2024	13,97,250.00	07 October 2024
2017-18 (Final)	31 August, 2018	30 August, 2025	14,59,740.00	07 October 2025
2018-19 (Final)	31 August, 2019	30 August, 2026	3,50,610.00	07 October 2026
2020-21 (Interim)	15 September, 2020	14 September, 2027	5,14,238.60	22 October 2027
2019-20 (Final)	15 December, 2020	14 December, 2027	5,14,663.00	21 January 2028
2020-21 (Final)	29 September, 2021	28 September, 2028	24,14,092.00	5 November 2028
2021-22 (Final)	27 August, 2022	26 August, 2029	7,50,817.00	3 October, 2029

### Transfer to Reserves

As the Company has incurred a loss for the year ended 31<sup>st</sup> March, 2023 the Board of Directors do not propose transfer of any funds to the General Reserve out of the amount available for appropriations and an amount of ₹ 56.87 crores is proposed to be retained as Surplus out of which the proposed dividend of ₹ 6.40 crores will be payable, if approved at the ensuing AGM.

### Operating Results and Business Operations

The Company has reported a loss of ₹ 2.33 crores after adjustment for taxes in the year 2022-23 compared to a profit of ₹ 6.89 crores in the previous year. During the year ended 31<sup>st</sup> March, 2023, the Revenue from Operations registered a fall of 3.60 % to ₹ 1610 crores from ₹ 1670 crores in the previous year. The decrease in revenue is due to the decrease in the volume of sales of feed and on account of fall in the selling price of coconut oil. The Earnings Per Share reported is negative at ₹ 7.44 per share compared to ₹ 20.54 in the previous year 2021-22.

In the year 2022-23, the annual average raw material cost of feed has gone up by 9.80 % over that of previous year. This is after registering an increase of 16.75 % in the annual average raw material cost of feed in the year 2021-22 compared to previous year. In year 2021-22, the average selling price of feed has increased by around 7.30 % compared to that of previous year. It was further increased by 9.30% in the year 2022-23, in order to avoid loss. As a result of the abnormal increase in the ingredient prices, which could not be matched with equal increase in the selling rates, the profit of the Animal Feed Division has reduced drastically. The feed division could manage with a profit of ₹ 7.91 crores compared to previous year profit of ₹ 12.88 crores.

In the cake processing division, the availability of local copra cake was scarce. We had to continue to depend mainly on the imported copra cake for our processing. The year to year annual average rate of consumption of cake has not varied much. The purchase rate of copra cake was on the higher side in previous year itself around ₹ 28700 per ton, which has gone up to the level of ₹ 29,671 per ton, by the end of the year 2022-23. At the same time, the coconut oil price had further decreased from ₹ 135/kg. in the year beginning to ₹ 115/kg. by year end. At present, the coconut oil is cheaper than many other oils. As a result of all these factors, the cake processing division reported a loss of ₹ 5.14 crores as against previous year profit of ₹ 2.25 crores.

There was no margin on the milk division since the procurement of milk in Tamil Nadu is ruling very high and the selling price of milk in Kerala is still lower, even after the increase in the milk price in November, 2022. As such, we had incurred loss of ₹ 121 lakhs in the milk division compared to ₹ 104 lakhs in the previous year. The relaunch of Vesta ice cream is underway, with a huge advertisement budget, after the covid spell, to re-establish the market share and also to reach the market across Kerala. We have improved the markets with infusion of premium varieties and are pushing ahead to capture more market share. The main ingredient for ice cream is milk and cream there from. Since the cost of milk has gone up, the cost of production of ice cream also has gone up. To capture the markets, we have kept the price of all varieties of ice cream slightly lower than other competing brands, at the same time keeping the quality as the best, and thus had booked loss during the year 2022-23. Since we are trying to expand our reach to the market for ice cream, we are appointing new dealers in fresh markets. On such appointments of new dealers, we are offering freezer subsidy, which is also chargeable to the cost of ice cream. Dairy division as a whole reported a loss of ₹ 641.64 lakhs in year 2022-23 against the previous year loss of ₹ 373.40 lakhs.

The cost of major ingredients used in the manufacture of animal feed like rice bran, maize, cotton seed deoiled cake, groundnut cake etc. has gone up by more than 30% in the year 2021-22 itself and currently ruling at a very high rate. The situation is expected to continue for few more months. We will not be able to increase the selling price of feed beyond a certain level to fully absorb the increase in ingredient prices.

Appropriate adjustments are made in the selling price according to the ingredient prices keeping in consideration all the related situations. The indirect control of the Government on the procurement price of milk leaves the farmers into a lot of hardship and while taking pricing decisions, we have to weigh this fact in the best interest of the Company. The demand for the feed is now stable which helps us to keep the capacity utilisation and maintain the revenue.

In the cake processing division, we need around 1,25,000 tons of copra cake, to meet our requirements for deoiled copra cake, which is one of the major ingredients in our feed. The availability of local and imported copra cake is at strain and the cost thereof has increased further by 20 %, in the first two months of the financial year 2023-24. The volatility in exchange rate of dollar also makes the task tough. We are closely watching the situation for ensuring steady supply of copra cake. The coconut oil price is likely to fall further from the current level of ₹ 115/kg. as the price of other oils are falling. This will add strain to the cake processing division as the demand for coconut oil is very low. The cake processing division should be fully operational to meet the requirement of deoiled copra cake, a major ingredient in the feed formulation, even if the margins are thin or in the negative. The operation of this division is expected to be challenging for few months ahead, until the oil price improve or copra cake is available at reasonable cost.

Currently the procurement cost of milk is very high and the selling price of milk is very low. As such the margin on milk is nil. We are expecting a reduction in procurement price of milk during the monsoon season. We have raised our advertisement budget for ice cream considerably and this has started reaping results. There is good demand for Vesta ice cream and we are expecting the same to pick up further. The selling rate of different varieties of ice cream will be suitably revised, after establishing the brand.

We are also into a detailed study on feed and ice cream, by a reputed agency, to evolve strategic plan for a few years ahead and to improve the performance as quick as possible.

More information relating to the operations of the Company has been furnished in the Management Discussion and Analysis Report attached to and forming part of this Report as provided by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **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 2021-2022. This Award is being received by the Company for the past 32 years consecutively since the inception of the award.

### **Number of meetings of the Board**

Fifteen meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

### **Directors and Key Managerial Personnel**

Mr. Tom Jose (DIN 01971467), Ms. Simi Davis (DIN 09752318) and Ms. Seema Davis (DIN 08125964), Non-Executive Directors and Dr. Jose Paul Thaliyath (DIN 01773031), Independent Director were appointed with effective from 1<sup>st</sup> October, 2022 to make the total number of directors in the Board to fifteen.

Dr. Jose Paul Thaliyath (DIN 01773031), Mr. Verghese CV (DIN: 00779894), Mrs. Nina Paul (DIN: 08576074), Mr. Jose John (DIN: 01797056) and Mr. Paul Jose (DIN: 01616504) are the Independent Directors of the Company. The Independent Directors of the Company are not liable for retirement by rotation, as provided in Section 149 of the Companies Act, 2013. In accordance with Section 149 (7) of the Companies Act, 2013, the Company has received declarations from all the independent directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the above five independent directors of the Company had enrolled with Indian Institute of Corporate Affairs' (IICA) within the prescribed period and had cleared the online proficiency self-assessment test as provided by Companies (Appointment and Qualification) Rules, 2019.

In accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Listing Regulations and the Articles of Association of the Company, the Independent Directors, the Managing Director and Executive Director of the Company are not liable to retire by rotation.

Dr. Pyarelal K.C. (DIN : 00923913), Mr. Dony A.G. (DIN : 09211623) and Ms. Danesa Raghulal (DIN : 07975553) will retire by rotation at the ensuing annual general meeting, in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, and being eligible, offer themselves for re-appointment.

Mr. M.P. Jackson (DIN 01889504), Managing Director, Mr. Paul Francis (DIN 00382797), Executive Director, Mr. R. Sankaranarayanan, Chief Financial Officer and Ms. Srividya Damodaran, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.





## Policy on directors' appointment and remuneration and other details

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Director and the Executive Director. Currently, the sitting fees payable to the non-executive directors is ₹ 25,000 per meeting of the Board and ₹ 20,000 per meeting of committees of the Board attended by them. The Nomination and Remuneration Policy for the Members of Board and Executive Management can be accessed on the Company's website at the link: <https://www.kselimited.com/allPolicy.aspx>.

## Evaluation of Board, Committees and Individual Directors

The Company has devised a Policy for performance evaluation of Independent and other directors, Board as a whole and Committees thereof which include criteria for performance evaluation of the executive and non-executive directors. The Policy for evaluation of performance of the Board of Directors can be accessed on the Company's website at the link: <https://www.kselimited.com/evaluationpolicy.aspx>.

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have evaluated the effectiveness of the Board during the financial year ended 31<sup>st</sup> March, 2023. The evaluation was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation. Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

A separate meeting of the independent directors was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman.

## Internal financial control systems and their adequacy

Adequate internal financial controls are in place with reference to the financial statements. Internal financial control systems of the Company have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable Accounting Standards. Such controls were tested annually and during the year no reportable material weakness in the design or operation were observed. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms part of this report.

## Risk Management

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans. The Board members are informed about the risk assessment and minimization procedures. The Board is responsible for framing, implementing and monitoring the risk management plan for the company. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviours together govern the business of the Company and manage associated risks.

There are no risks which in the opinion of the Board threaten the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

## Vigil Mechanism

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report. The "KSEL Whistle Blower Policy and Vigil Mechanism" can be accessed on the Company's website at the link : <https://www.kselimited.com/allPolicy.aspx>.

## Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2023, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them 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 your Company as at 31<sup>st</sup> March, 2023 and of the profit of the Company for the financial year ended 31<sup>st</sup> March, 2023;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## 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. The disclosures made in these reports may be considered as compliance of various disclosures prescribed under the Companies Act, 2013 and Rules made thereunder.

## Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee has been formed in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition, terms of reference and attendance details of the CSR Committee are incorporated in the Corporate Governance Report. The Annual Report on CSR activities for the year ended 31<sup>st</sup> March, 2023 is given separately as "Annexure A", forming part of this Report.

## Public Deposits

Your Company is accepting deposits as per the provisions of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. The details relating to such deposits as provided under Rule 8 of the Companies (Accounts) Rules, 2014 are provided in "Annexure B".

The Company is not accepting any other deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

## Particulars of loans, guarantees and Investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

## Transactions with related parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. None of the transactions with related parties falls under the scope of Section 188(1) of the Companies Act, 2013 (the "Act"). Full disclosure of related party transactions as per Accounting Standard Ind AS 24 issued by the Ministry of Corporate Affairs is given under Note No. 35.24 of Notes to the Annual Accounts.

The policy and procedures on related party transaction as approved by the Board may be accessed on the Company's website at the link: <https://www.kselimited.com/allPolicy.aspx>. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in "Annexure C" in Form AOC-2 and the same forms part of this report.

## Annual return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31<sup>st</sup> March, 2023 is available on the website of the Company at [www.kselimited.com](http://www.kselimited.com).



## Statutory Auditors

M/s. Sridhar & Co. (ICAI Firm Registration No. 0039785) have been appointed as the statutory auditors of the company at the 56<sup>th</sup> Annual General Meeting from the conclusion of 56<sup>th</sup> Annual General Meeting until the conclusion of the 61<sup>st</sup> annual general meeting of the Company to be held in the year 2025, for the audit of accounts relating to the years ending 31<sup>st</sup> March, 2021 to 31<sup>st</sup> March, 2025.

The Auditor's Report for the financial year 2022-2023 on the financial statements of the Company is part of this Annual Report. The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended 31<sup>st</sup> March, 2023.

## Cost Auditors

With the prior approval of Central Government, M/s. A. R. Narayanan & Co., Cost Accountants, Ernakulam (Firm registration number 101421) have been appointed as Cost Auditors for the financial year 2022-23 and they will be submitting their Cost Audit Report within the time limit stipulated. The Board of Directors of the Company, on the recommendations made by the Audit Committee, has reappointed them as the Cost Auditor of the Company to conduct the audit of cost records for the financial year 2023-2024. The Remuneration proposed to be paid to the Cost Auditor, subject to ratification by shareholders of the Company at the ensuing 59<sup>th</sup> Annual General Meeting, has been fixed at ₹ 2,25,000 plus GST and out of pocket expenses. The Company has received consent from M/s. A. R. Narayanan & Co., Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2023-24, along with certificate confirming their independence and arm's length relationship.

## Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. BVR & Associates Company Secretaries LLP (Firm Regn. AAE-7079), Practicing Company Secretaries to conduct the Secretarial Audit of your Company for the financial year ended 31<sup>st</sup> March, 2023. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2023 is annexed herewith as "Annexure D" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## Cost Records

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for certain areas of its operations (Edible Oil and Power Generation) and accordingly accounts and records required to get true and fair view of the cost of production of products, cost of sales, margin and other information relating to products under reference, are made and maintained by the Company.

## Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace. The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2022-23, the Company has not received any complaint on sexual harassment and no complaint remains pending as of 31<sup>st</sup> March, 2023.

## Disclosure relating to Remuneration of Directors, Key Managerial Personnel and particulars of employees

The information required under Section 197 of the Companies Act, 2013 and rules made there-under, in respect of employees of the Company, is provided in "Annexure E" forming part of this report. None of the employees are in receipt of remuneration in excess of the limits specified under clause (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in "Annexure F" to this Report.

## Capital Expenditure

The construction of warehouses, with an estimated capital outlay of around ₹ 1000.00 lakhs, in the 6.38 acres of land allotted near the port by the VOC Port, Tuticorin has been started and is expected to be completed shortly. Construction of additional storage facility near Irinjalakuda Unit, costing around ₹ 130.00 lakhs has been completed. The takeover of production facilities in the KINFRA Industrial Park in Kakkanchery near Kozhikode is nearing completion and production of Vesta ice cream has been commenced in the said plant. In Koratty Unit, one 5.5 TPH Boiler is now under installation costing around ₹ 500.00 lakhs, which is expected to remove the bottle necks and improve productivity in the solvent and refining plants.

## Other Disclosures

No disclosure is made in respect of the following items as there were no events during the year calling for reporting on these items:

1. There was no issue of equity shares with differential rights as to dividend, voting or otherwise.
2. There was no issue of shares (including sweat equity shares and ESOP) to employees of the Company under any scheme.
3. Your Company does not have any subsidiary, associate, joint venture company or holding company and disclosures required in that respect were not dealt with.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. No frauds have been reported by auditors to the Audit Committee or Board under Sub-section (12) of Section 143 of the Companies Act, 2013.
6. There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year under report and the date of this report.

## 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/-

**Mr. Tom Jose**  
(DIN : 01971467)  
Chairman

Irinjalakuda  
May 25, 2023



**“ANNEXURE A” TO BOARD’S REPORT**

**ANNUAL REPORT ON CSR ACTIVITIES FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

**1. Brief outline on CSR Policy of KSE Limited**

The CSR Policy of KSE Limited incorporates the company’s philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility. Under the Policy, the Company is committed to spend in every financial year at least 2% of its average net profits for the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Companies Act, 2013. The CSR Policy of the Company can be accessed in the Company’s website “[www.kselimited.com](http://www.kselimited.com)” under Investor Relations.

**2. Composition of CSR Committee**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Paul Francis (DIN 00382797)	Chairman, Non-independent Executive Director	1	1
2	Mr. M.P. Jackson (DIN 01889504)	Member, Non-Independent, Managing Director	1	1
3	Dr. Pyarelal K.C. (DIN 00923913)	Member, Non-Independent, Non-Executive Director	1	1
4	Ms. Danesa Raghulal (DIN 07975553)	Member, Non-Independent, Non-Executive Director	1	Leave of absence
5	Ms. Nina Paul (DIN 08576074)	Member, Independent, Non-Executive Director	1	1

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

Composition of CSR committee	<a href="https://kselimited.com/CompositioncommitteesBoard.aspx">https://kselimited.com/CompositioncommitteesBoard.aspx</a>
CSR policy	<a href="https://kselimited.com/admin/Files/208/KSE_CSR_POLICY_Revised.pdf">https://kselimited.com/admin/Files/208/KSE_CSR_POLICY_Revised.pdf</a>
CSR projects	<a href="https://kselimited.com/admin/Files/205/CSR%20Annual%20Action%20Plan_KSE.pdf">https://kselimited.com/admin/Files/205/CSR%20Annual%20Action%20Plan_KSE.pdf</a>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

The average CSR obligation in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years is less than ₹ 10 Crores and hence impact assessment is not applicable.



5. **CSR obligation for the financial year**

(a) Average net profit of the company as per section 135(5)	: ₹ 5794.33 lakhs
(b) Two percent of average net profit of the Company as per section 135(5)	: ₹ 115.89 lakhs
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	: ₹ 6.86 lakhs
(d) Amount required to be set off for the financial year, if any	: NIL
(e) Total CSR obligation for the financial year (5b-5c+5d)	: ₹ 109.03 lakhs

6. **CSR amount spent or unspent for the financial year**

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	: ₹ 118.29 lakhs
(b) Amount spent in Administrative Overheads	: NIL
(c) Amount spent on Impact Assessment, if applicable	: Not Applicable
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	: ₹ 118.29 lakhs
(e) CSR amount spent or unspent for the Financial Year:	

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
118.29	NIL	--	--	NIL	

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	115.89
(ii)	Total amount spent for the Financial Year	118.29
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.40
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	6.86
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	9.26



7. Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (₹ in lakhs)	Deficiency, if any
					Amount (₹ in lakhs)	Date of transfer		
1								
2								
3								
	TOTAL	Nil	Nil	Nil	Nil		Nil	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ in lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
	Not Applicable						

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

	For KSE Limited Sd/-	For KSE Limited Sd/-
Place : Irinjalakuda Date : 25.05.2023	Mr. M.P. Jackson (DIN 01889504) Managing Director	Paul Francis (DIN 00382797) Executive Director (Chairman, CSR Committee)

**“ANNEXURE B” TO BOARD’S REPORT**

**DETAILS OF DEPOSITS ACCEPTED UNDER CHAPTER V**

(a)	Deposits accepted during the year	₹ 687.53 lakhs
(b)	Deposits remained unpaid or unclaimed as at the end of the year	Nil
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	No
	(i) at the beginning of the year	Nil
	(ii) maximum during the year	Nil
	(iii) at the end of the year	Nil
(d)	Deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

**“ANNEXURE C” TO BOARD’S REPORT**

**FORM AOC – 2**

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto**

1.	Details of contracts or arrangements or transactions not at arm’s length basis: (a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts / arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Justification for entering into such contracts or arrangements or transactions (f) Date(s) of approval by the Board (g) Amount paid as advances, if any (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	Nil
2.	Details of material contracts or arrangement or transactions at arm’s length basis: (a) Name(s) of the related party and nature of relationship (b) Nature of contracts/arrangements/transactions (c) Duration of the contracts/arrangements/transactions (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Date(s) of approval by the Board, if any (f) Amount paid as advances, if any	Nil

By Order of the Board

Sd/-

**Mr. Tom Jose**  
(DIN : 01971467)  
Chairman

Irinjalakuda  
May 25, 2023



**“ANNEXURE D” TO BOARD’S REPORT**

BVR & ASSOCIATES  
Company Secretaries LLP  
LLP Identification No. AAE-7079

“Swastika”, First Floor  
Chitteth House, P C Road  
Vytilla P.O., Cochin - 682019  
Ph: 0484 4046696, +91 98957 62686

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
M/s KSE Limited  
Regd. Office: Solvent Road  
Irinjalakuda  
Pin-680 121

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s KSE LIMITED (hereinafter referred as the company) with Corporate Identity No L15331KL1963PLC002028. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s KSE LIMITED for the financial year ended on 31<sup>st</sup> March 2023 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
    - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange;
2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the Memorandum and Articles of Association of the Company, with regard to:
    - a) maintenance of various statutory registers and documents and making necessary entries therein;
    - b) closure of the Register of Members;

- c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - e) notice of Board meetings and Committee meetings of Directors;
  - f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - g) the 58<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> August, 2022;
  - h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - j) payment of remuneration to Directors, including the Managing Director;
  - k) appointment and remuneration of Auditors and Cost Auditors;
  - l) transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
  - m) declaration and payment of dividend;
  - n) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
  - o) transfer of certain equity shares to Investor Education and Protection Fund [IEPF] Authority, in respect of which, dividend has remained unpaid or unclaimed by the shareholders for 7 consecutive years or more;
  - p) borrowings and registration, modification and satisfaction of charges wherever applicable;
  - q) investment of the Company's funds including inter-corporate loans and investments and loans to others;
  - r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
  - s) preparation of Board's Report;
  - t) execution of contracts, affixing of common seal, registered office and publication of name of the company; and
  - u) generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that the company has received communication from BSE highlighting a discrepancy as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, that the number of independent directors in the Audit Committee of the company should comprise at least two-thirds of its total members. However, the management of KSE Ltd has passed a circular resolution of the Board on 27<sup>th</sup> April 2023 for the reconstitution of the Audit Committee with 4 independent directors.
4. I further report that:-
- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - b) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/ directorships in other companies and interests in other entities.
  - c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - d) Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.
  - e) The company has obtained all necessary approvals under the various provisions of the Act.
5. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and that during the audit period, there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

Sd/-  
CS YOGINDUNATH S  
DESIGNATED PARTNER  
BVR & ASSOCIATES COMPANY SECRETARIES LLP  
M NO: F7865 CP 9137  
UDIN : F007865E000373791  
PEER REVIEW NUMBER : P2010KE020500

Place : Cochin  
Date : 25.05.2023





**“ANNEXURE E” TO BOARD’S REPORT**

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**A. Ratio of remuneration of each Director to the median remuneration of all the employees of Your Company for the financial year 2022-2023 is as follows:**

Sl. No.	Name of Director	Total Remuneration (₹ in lakhs)	Ratio of remuneration of director to the Median remuneration
<b>Non- executive Directors</b>			
1	Mr. Tom Jose	2.55	0.55
2	Mr. P.D. Anto	6.35	1.37
3	Mr. Dony A.G.	6.05	1.30
4	Dr. K.C. Pyarelal	4.50	0.97
5	Mrs. Marykutty Varghese	3.85	0.83
6	Ms. Danesa Raghulal	3.45	0.74
7	Ms. Simi Davis	2.35	0.51
8	Ms. Seema Davis	2.35	0.51
9	Dr. Jose Paul Thaliyath	2.75	0.59
10	Mr. Jose John	4.70	1.01
11	Mr. Verghese C.V.	5.05	1.09
12	Mr. Paul Jose	4.70	1.01
13	Mrs. Nina Paul	4.25	0.91
<b>Executive Directors</b>			
14	M.P. Jackson	65.45	14.08
15	Mr. Paul Francis	39.64	8.52

Note: Please see notes under item (B) below.

**B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2022-2023 are as follows:**

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2022-2023	2021-2022	
1	Mr. A.P. George	Managing Director	—	42.54	See Note 1 below
2	Mr. M.P. Jackson	Managing Director (See Note 2 below)	65.45	47.66	37.33
3	Mr. Paul Francis	Executive Director	39.64	18.39	See Note 3 below
4	Tom Jose	Chairman & Non- executive Director	2.55	—	See Note 4 below
5	Mr. P.D. Anto	Non- executive Director	6.35	5.15	23.30
6	Mr. Dony A.G.	Non- executive Director	6.05	2.15	See Note 5 below
7	Dr. K.C. Pyarelal	Non- executive Director	4.50	3.20	40.63
8	Mrs. Marykutty Varghese	Non- executive Director	3.85	3.20	20.31
9	Ms. Danesa Raghulal	Non- executive Director	3.45	2.80	23.21
10	Ms. Simi Davis	Non- executive Director	2.35	—	See Note 4 below

Sl. No.	Name of Director	Designation	Remuneration (₹ in lakhs)		Increase (%)
			2022-2023	2021-2022	
11	Ms. Seema Davis	Non- executive Director	2.35	—	See Note 4 below
12	Dr. Jose Paul Thaliyath	Non- executive and Independent Director	2.75	—	See Note 4 below
13	Mr. Jose John	Non- executive and Independent Director	4.70	3.65	28.77
14	Mr. Verghese C.V.	Non- executive and Independent Director	5.05	3.95	27.85
15	Mr. Paul Jose	Non- executive and Independent Director	4.70	3.50	34.29
16	Mrs. Nina Paul	Non- executive and Independent Director	4.25	3.35	26.87
17	R. Sankaranarayanan	Chief Financial Officer/Company Secretary	54.11	54.11	See Note 6 below
18	Srividya Damodaran	Company Secretary	3.00	—	See Note 6 below

- Notes :
1. Mr. A.P. George vacated his office as Managing Director on 30-09-2021 on completion of his term of appointment.
  2. Mr. M.P. Jackson, who was the Executive Director, was appointed as Managing Director effective from 01-10-2021, in the above vacancy.
  3. Mr. Paul Francis was appointed as Executive Director effective from 01-10-2021 and he was receiving sitting fees till that date. Hence his remuneration is not comparable with that of previous year.
  4. Mr. Tom Jose, Ms. Simi Davis, Ms. Seema Davis and Dr. Jose Paul Thaliyath has joined the Board as Directors with effect from 01-10-2022.
  5. Mr. Dony A.G. was appointed as a Director in the Board, effective from 29-09-2021, in place of Mr. A.P. George. Hence his remuneration is not comparable with that of previous year.
  6. Mr. Sankaranarayanan R. was the Chief Financial Officer and Company Secretary of the Company till 22.12.2022 and after that date he is acting as only Chief Financial Officer. Ms. Srividya Damodaran was promoted as Company Secretary of the Company with effect from 23.12.2022 and her remuneration mentioned herein is only relating to the period thereafter.

**C. The percentage increase in the median remuneration of employees in the financial year: 7.31 %.**

**D. The number of permanent employees on the rolls of Company: 786 as on 31.03.2023.**

**E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

1. The average annual increase in salaries was around 6.83 %. The long term settlements with employees of Irinjalakukda and Palakkad Units were completed during the year 2022-23. The resultant increase in the remuneration of employees with retrospective effect has not been considered while calculating the average annual increase in salaries.
2. Mr. A.P. George vacated his office as Managing Director on 30-09-2021 on completion of his term of appointment.
3. Mr. M.P. Jackson, who was the Executive Director, was appointed as Managing Director effective from 01-10-2021, with an increase in his remuneration, the effect of which for the whole year was reflected only in year 2022-23.
4. Mr. Paul Francis was appointed as Executive Director effective from 01-10-2021 and he was receiving sitting fees till that date. Hence his remuneration is not comparable with that of the previous year.
5. Mr. Tom Jose, Ms. Simi Davis, Ms. Seema Davis and Dr. Jose Paul Thaliyath had joined the Board as Directors with effect from 01-10-2022 only.
6. Mr. Dony A.G. was appointed as a Director in the Board, effective from 29-09-2021 and hence his remuneration is not comparable with that of the previous year.
7. The sittings fees for the Board and Committees thereof had been enhanced effective from 01-01-2022, and as a result thereof there is proportionate change in the remuneration of all non-executive directors in the financial year 2022-23.

The increase/change in managerial remuneration is normal and in line with local industrial standards.



#### F. The key parameters for any variable component of remuneration availed by the directors:

No variable component of remuneration is availed by the Directors.

#### G. Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.

#### H. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. **List of employees of the Company employed throughout the financial year 2022-2023 and were paid remuneration not less than ₹ 102 lakhs per annum:**

None of the employees of the Company were paid remuneration exceeding ₹ 102 lakhs per annum.

2. **Employees employed for the part of the year and were paid remuneration during the financial year 2022-2023 at a rate which in aggregate was not less than ₹ 8.50 lakhs per month:**

None of the employees employed for part of the year were paid remuneration exceeding ₹ 8.50 lakhs per month.

3. **Employees, if employed throughout the financial year or part thereof, who were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:**

None of the employee of the Company falls in the category.

### “ANNEXURE F” TO BOARD’S REPORT

#### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

##### A) Conservation of Energy

Every effort has been taken to utilise the energy most efficiently and judiciously. The energy produced by the wind mill has been wheeled and utilised in Swaminathapuram and Thalayuthu Units and excess energy generated in peak season has been banked and utilised later on in the above Units. This has helped us to reduce the energy cost in both Plants considerably.

##### B) Technology Absorption

The Company does not have Technology Transfer Agreements / collaboration agreements with respect to its product line. During the year under review there was no major technology absorption undertaken by the Company.

##### C) Foreign Exchange Earnings and Outgo

Particulars	2022-2023 ₹ in lakhs	2021-2022 ₹ in lakhs
Foreign Exchange Earnings	35.81	16.63
Foreign Exchange Outgo	15679.96	20883.61

## 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

There was a change in the constitution of the Board of KSE Limited with effect from 1<sup>st</sup> October, 2022, on adding four more directors. Thus, after that date, the total strength of the Board has gone up to fifteen, including five woman directors. In the reconstituted Board, except Ms. Simi Davis and Ms. Seema Davis, who are sisters, no other Director do have relationship inter-se. Among the fifteen, two of the Directors, Managing Director and Executive Director, are Whole-time Executive Directors. From the above date Mr. Tom Jose, Rt. IAS, is the Chairman of the Board who is a non-executive non-independent director. In total there are five independent directors in the Board. The Board invariably meets 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 four Directors as its members is functioning to assist the Board, which is regularly meeting every 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. The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

The Board met 15 times during the year 2022-2023, on the following dates:

Sl. No.	Date	Sl. No.	Date	Sl. No.	Date
1	11 <sup>th</sup> May, 2022	6	27 <sup>th</sup> August, 2022	11	14 <sup>th</sup> December, 2022
2	30 <sup>th</sup> May, 2022	7	13 <sup>th</sup> September, 2022	12	20 <sup>th</sup> January, 2023
3	02 <sup>nd</sup> July, 2022	8	01 <sup>st</sup> October, 2022	13	10 <sup>th</sup> February, 2023
4	21 <sup>st</sup> July, 2022	9	13 <sup>th</sup> October, 2022	14	28 <sup>th</sup> February, 2023
5	13 <sup>th</sup> August, 2022	10	10 <sup>th</sup> November, 2022	15	16 <sup>th</sup> March, 2023

During the year 2022-2023, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, as applicable, has been placed before the Board for its consideration.

The details of members of the Board, number of equity shares of the Company held by them as on 31.03.2023, number of Board Meetings attended by them during the financial year 2022-2023, details as to their attendance in the last AGM, details of other directorships, etc. are given hereunder:

Sl. No.	Name and Designation	Category of Director	No. of shares held	No. of Board Meeting attended	Attendance at last AGM held on 27-08-2022	No. of Other Directorships *		Committee Members	
						Director	Chairman	Member	Chairman
1	Mr. Tom Jose, (DIN 01971467) Director, Chairperson (From 01-10-2022)	Non-Executive	2,700	7	Not applicable	---	---	---	---
2	Mr. M.P. Jackson (DIN 01889504) Managing Director	Executive	44,838	15	Present	---	---	---	---
3	Mr. Paul Francis (DIN 00382797) Executive Director	Executive	23,701	15	Present	---	---	---	---
4	Mr. P.D. Anto (DIN 00106965) Director	Non-Executive	11,050	15	Present	---	---	---	---



Sl. No.	Name and Designation	Category of Director	No. of shares held	No. of Board Meeting attended	Attendance at last AGM held on 27-08-2022	No. of Other Directorships *		Committee Members	
						Director	Chairman	Member	Chairman
5	Ms. Marykutty Varghese (DIN 07307987) Woman Director	Non-Executive	10,143	13	Present	---	---	---	---
6	Dr. Pyarelal K.C. (DIN 00923913) Director	Non-Executive	23,719	15	Present	---	---	---	---
7	Ms. Danesa Raghulal (DIN 07975553) Woman Director	Non-Executive	5,092	13	Present	---	---	---	---
8	Mr. Dony A.G. (DIN 09211623) Director	Non-Executive	11,612	15	Present	---	---	---	---
9	Ms. Simi Davis (DIN 09752318) Woman Director (From 01-10-2022)	Non-Executive	26,200	7	Not applicable	---	---	---	---
10	Ms. Seema Davis (DIN 08125964) Woman Director (From 01-10-2022)	Non-Executive	9,915	7	Not applicable	---	---	---	---
11	Dr. Jose Paul Thaliyath (DIN 01773031) Director (From 01-10-2022)	Non-Executive Independent	31,332	7	Not applicable	---	---	---	---
12	Mr. Jose John (DIN 01797056) Director	Non-Executive Independent	Nil	15	Present	---	---	---	---
13	Mr. Verghese C.V. (DIN 00779894) Director	Non-Executive Independent	Nil	15	Present	---	---	---	---
14	Mr. Paul Jose (DIN 01616504) Director	Non-Executive Independent	1,302	15	Present	---	---	---	---
15	Mrs. Nina Paul (DIN 08576074) Woman Director	Non-Executive Independent	21,327	14	Present	---	---	---	---

\* For the above, only Directorships in Public Limited Companies are taken into consideration. None of the Directors of the Company are Director in any other listed company.

### 3. Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Independent Directors are independent of the management and fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the five independent directors have empaneled with the online databank maintained by Indian Institute of Corporate Affairs (IICA) as provided by Companies (Appointment and Qualification) Rules, 2019 within the prescribed time thereto and have successfully qualified the Online Proficiency Self-Assessment test conducted by IICA within the permitted time.

A formal letter of appointment to Independent Directors as provided under the Companies Act, 2013 has been issued and disclosed on the website of the Company viz. [www.kselimited.com](http://www.kselimited.com).

The provisions of Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with as the Independent Directors of the Company do not serve as Independent Director in any other listed companies. Further, the Managing Director and Executive Director of the Company do not serve in any other listed entity as an Independent Director.

For the details of the familiarisation programmes imparted to Independent Directors please visit the Company's website at [www.kselimited.com](http://www.kselimited.com).



During the year 2022-2023, one meeting of the Independent Directors was held on 10<sup>th</sup> March, 2023 and all the Independent Directors were present at this Meeting. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, the Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and also evaluated the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

None of the Independent Directors of the Company has resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

#### 4. Skills, expertise and competencies of Board

The key qualifications, skills, expertise, competencies and attributes which are taken into consideration while nominating candidates to serve on the Board are the following:

- i. Leadership: Ability to understand and channel the capabilities of the other members towards the corporate goal with practical understanding of organisations, processes, strategic planning and risk management. Demonstrates strength in developing talent, succession planning, management of change and long-term growth.
- ii. Technology : Significant knowledge in technology, understanding the technological trends, technological innovation, ability to bring out new technological models.
- iii. Sales and Marketing : Experience in developing strategies to improve the sales and market share, build brand awareness and enhance enterprise reputation.
- iv. Governance and Board Service : Developing insights about maintaining board and management accountability, protecting shareholders' interests and observing appropriate governance practices.
- v. Ethnic national or other diversity: Representation of gender, ethnic, geographic, cultural or other perspectives that enhance the understanding of the Board with respect to the needs and views of customers, suppliers, employees, government and other stakeholders.
- vi. Financial: Management of financial function of an enterprise, resulting in proficiency in complex financial management, capital allocation, financial reporting processes with an experience in actively supervising the Chief Financial Officer, Internal Auditors, Statutory Auditors or others who perform similar functions.
- vii. Practical Knowledge : Practical knowledge of the industry, mainly that of feed industry and oil extraction, market conditions, situation and surroundings of the farmers and their issues and needs at village level.

#### Areas of Skills/Expertise/competence of Directors

Sl. No.	Name of Director	Areas of Skills/Expertise/competence						
		Leadership	Technol-ogy	Sales and Marketing	Gover-nance and Board Service	Ethnic national or other diversity	Financial	Practical Knowl-ledge
1	Mr. Tom Jose	✓			✓	✓	✓	✓
2	Mr. M.P. Jackson	✓		✓	✓		✓	✓
3	Mr. Paul Francis	✓	✓			✓		✓
4	Mr. P.D. Anto			✓		✓		✓
5	Mr. Dony A.G.	✓		✓		✓	✓	✓
6	Dr. K.C. Pyarelal		✓		✓	✓	✓	✓
7	Mrs. Marykutty Varghese		✓	✓		✓		✓
8	Ms. Danesa Raghulal	✓	✓	✓		✓		✓
9	Ms. Simi Davis		✓	✓		✓		✓
10	Ms. Seema Davis		✓	✓		✓		✓
11	Dr. Jose Paul Thaliyath	✓	✓		✓	✓		✓
12	Mr. Jose John	✓		✓	✓		✓	✓
13	Mr. Verghese C.V.	✓			✓	✓	✓	✓
14	Mr. Paul Jose			✓	✓	✓	✓	✓
15	Mrs. Nina Paul	✓			✓	✓		✓



## 5. Audit Committee

Audit Committee is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is empowered as per the requirements of the said provisions. As on 31<sup>st</sup> March, 2023, the Audit Committee had five members with Mr. Verghese C.V. (DIN 00779894), Independent Director, who is a practising chartered accountant in Thrissur, as the Chairperson of the Audit Committee. Dr. Jose Paul Thaliyath (DIN 01773031) and Mr. Jose John (DIN 01797056), Independent Directors, and Mr. Tom Jose (DIN 01971467) and Dr. Pyarelal K.C. (DIN 00923913), Non-Independent Directors are the other members. Later Mrs. Nina Paul (DIN 08576074), Independent director, was also included as a member of the Audit Committee effective from 27<sup>th</sup> April, 2023. The previous annual general meeting of the Company held on August 27, 2022 was attended by Mr. Verghese C.V. (DIN 00779894), the Chairman of the Audit Committee.

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

- recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- review and monitor the auditor's independence and performance, and effectiveness of audit process
- examination of the financial statements and the auditor's report thereon
- approval or any subsequent modification of transactions of the Company with related parties
- scrutiny of inter-corporate loans and investments
- valuation of undertakings or assets of the Company, wherever it is necessary
- evaluation of internal financial controls and risk management systems
- monitoring the end use of funds raised through public offers and related matters
- 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 the functioning of the whistle blower mechanism
- approval of appointment of CFO, after assessing his qualifications, experience and background, etc.

The Audit Committee had met four times in the year 2022-2023 and the attendance of each member of the Committee was as follows:

Date of Meeting	Mr. Tom Jose	Dr. Pyarelal K.C.	Dr. Jose Paul Thaliyath	Mr. Jose John	Mr. Verghese C.V.	Mr. M.P. Jackson
30-05-2022	N.A.	N.A.	N.A.	Present	Present	Present
13-08-2022	N.A.	N.A.	N.A.	Present	Present	Present
10-11-2022	Present	Present	Present	Present	Present	N.A.
10-02-2023	Present	Present	Present	Present	Present	N.A.

The Board has accepted all the recommendations of the Audit Committee. The disclosures made herein shall be treated as disclosures required to be made under sub-section (8) of Section 177 of the Companies Act, 2013.

## 6. Nomination and Remuneration Committee

Nomination and Remuneration Committee is constituted as per the provisions of Section 178 of the Companies Act, 2013 and as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee has five members, out of which four are independent directors. Dr. Jose Paul Thaliyath (DIN 01773031) is nominated by the Board as the Chairman of the Committee. Mr. Tom Jose (DIN 01971467), Non-Executive Non-Independent Director, Mr. Jose John (DIN 01797056), Mr. Verghese C.V. (DIN 00779894) and Mr. Paul Jose (DIN 01616504), Independent Directors are the other four members of the Committee. The broad terms of reference for the Remuneration Committee are the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee met four times in the year 2022-2023 and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. Tom Jose	Dr. Jose Paul Thaliyath	Mr. Jose John	Mr. Paul Jose	Mr. Verghese C.V.	Dr. Pyarelal K.C.
30-05-2022	N.A.	N.A.	N.A.	Present	Present	Present
01-10-2022	N.A.	N.A.	N.A.	Present	Present	Present
02-12-2022	Present	Present	Present	Present	Present	N.A.
16-03-2023	Present	Present	Present	Present	Present	N.A.

The previous annual general meeting of the Company held on August 27, 2022 was attended by Mr. Paul Jose, who was the Chairman of the Nomination and Remuneration Committee at that time.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board. The performance evaluation of the Chairman, Managing Director, Executive Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process. The Nomination and Remuneration Policy and the Performance Evaluation Policy of the Company are available on the web site of the Company at <http://www.kselimited.com/evaluationpolicy.aspx>. Disclosures included herein may be considered as compliance under Section 178 of the Companies Act, 2013.

## 7. Remuneration of Directors

The non-executive directors are paid only sitting fees for meetings of the Board or any Committees thereof attended by them. The details of remuneration to the Directors for the year 2022-2023 are as follows:

Sl. No.	Name	DIN	Designation	Salary and allowances ₹ in lakhs	Other Benefits ₹ in lakhs	Sitting Fee ₹ in lakhs	Total ₹ in lakhs
1	Mr. Tom Jose	01971467	Director, Chairman	---	---	2.55	2.55
2	Mr. M.P. Jackson	01889504	Managing Director	57.79	7.66	---	65.45
3	Mr. Paul Francis	00382797	Executive Director	35.64	4.00	---	39.64
4	Mr. P.D. Anto	00106965	Director	---	---	6.35	6.35
5	Mr. Dony A.G.	09211623	Director	---	---	6.05	6.05
6	Dr. K.C. Pyarelal	00923913	Director	---	---	4.50	4.50
7	Mrs. Marykutty Varghese	07307987	Director	---	---	3.85	3.85
8	Ms. Danesa Raghulal	07975553	Director	---	---	3.45	3.45
9	Ms. Simi Davis	09752318	Director	---	---	2.35	2.35
10	Ms. Seema Davis	08125964	Director	---	---	2.35	2.35
11	Dr. Jose Paul Thaliyath	01773031	Director	---	---	2.75	2.75
12	Mr. Jose John	01797056	Director	---	---	4.70	4.70
13	Mr. Verghese C.V.	00779894	Director	---	---	5.05	5.05
14	Mr. Paul Jose	01616504	Director	---	---	4.70	4.70
15	Mrs. Nina Paul	08576074	Director	---	---	4.25	4.25

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

Mr. Tom Jose (DIN 01971467), Ms. Simi Davis (DIN 09752318), Ms. Seema Davis (DIN 08125964) and Dr. Jose Paul Thaliyath (DIN 01773031) joined the Board as Directors with effect from 1<sup>st</sup> October, 2022.



## 8. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee has been reconstituted as per Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. P.D. Anto (DIN 00106965), Non-executive Director, is the Chairman of the Committee. In compliance of Regulation 20 (2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Nina Paul (DIN 08576074), Independent Director also is a member of the Stakeholders' Relationship Committee. Ms. Marykutty Varghese (DIN 07307987), Mr. Dony A.G. (DIN 09211623), Ms. Simi Davis (DIN 09752318) and Ms. Seema Davis (DIN 08125964), Non-executive Directors, are the other members of the Committee. Ms. Srividya Damodaran, Company Secretary has been designated as the Compliance Officer. During the year 2022-2023, one complaint was received from a shareholder and was resolved. No complaint/query was pending for reply and no share transfer was pending for registration. Mr. P.D. Anto, the Chairman of the Stakeholders' Relationship Committee, had attended the annual general meeting of the Company held on August 27, 2022.

The Stakeholders' Relationship Committee had met four times in the year 2021-2022 and it was attended as follows:

Date of Meeting	Mr. P.D. Anto	Mrs. Marykutty Varghese	Ms. Nina Paul	Ms. Danesa Raghulal	Mr. Dony A.G.	Ms. Simi Davis	Ms. Seema Davis
30-05-2022	Present	Present	Present	Present	N.A.	N.A.	N.A.
13-08-2022	Present	Present	Present	Present	N.A.	N.A.	N.A.
10-11-2022	Present	Present	Present	N.A.	Present	Present	Present
10-02-2023	Present	Present	Present	N.A.	Present	Present	Present

## 9. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee has been reconstituted in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Mr. Paul Francis (DIN 00382797), Executive Director is the chairman of the Committee. Ms. Nina Paul (DIN 08576074), Independent Director is a member of the Committee. Mr. M.P. Jackson (DIN 01889504), Managing Director, Dr. K.C. Pyarelal and Danesa Raghulal (DIN 07975553) are the other members of the Committee. The Committee's terms of reference include the following:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to above;
- monitor the CSR Policy of the Company from time to time;
- prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company; and
- such other activities as the Board of Directors may determine from time to time.

During the year ended 31<sup>st</sup> March, 2023, the CSR Committee met once and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. Paul Francis	Mr. M.P. Jackson	Dr. Pyarelal K.C.	Ms. Danesa Raghulal	Ms. Nina Paul
31-10-2022	Present	Present	Present	Leave of absence	Present

## 10. Risk management committee

The Company has constituted a Risk Management Committee aligned with the requirements of the Companies Act, 2013 and Listing Regulations. Mr. Paul Jose (DIN 01616504), Independent Director is the Chairman of the Committee. Ms. Marykutty Varghese (DIN 07307987), Danesa Raghulal (DIN 07975553), Ms. Simi Davis (DIN 09752318) and Ms. Seema Davis (DIN 08125964), Non-Executive Directors are the other members of the Committee. The Risk Management Committee's scope includes specifically identify/monitor key risks of the Company and evaluate the management of such risks for effective mitigation. The Committee provides periodical updates to the Board and provides support in the discharge of the Board's overall responsibility in overseeing the risk management process. The Committee's terms of reference include the following:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (7) The Committee shall coordinate its activities with other committees, in instances where there is any overlap with the activities of such committees.

During the year ended 31<sup>st</sup> March, 2023, the Risk Management Committee met twice and attendance of each member of the Committee was as follows:

Date of Meeting	Mr. Paul Jose	Mr. Paul Francis	Dr. Pyarelal K.C.	Ms. Marykutty Varghese	Ms. Danesa Raghulal	Ms. Simi Davis	Ms. Seema Davis
13-09-2022	Present	Present	Present	N.A.	N.A.	N.A.	N.A.
16-03-2023	Present	N.A.	N.A.	Present	Present	Present	Present

## 11. General Body Meetings

The location and time where last three Annual General Meetings were held are given below:

Name of Meeting	Date	Time	Venue
56 <sup>th</sup> Annual General Meeting	15 <sup>th</sup> December, 2020	3.00 p.m.	KSE Limited, Registered Office, Solvent Road, Irinjalakuda, Thrissur District, Kerala- 680121
57 <sup>th</sup> Annual General Meeting	29 <sup>th</sup> September, 2021	3.00 p.m.	
58 <sup>th</sup> Annual General Meeting	27 <sup>th</sup> August, 2022	3.00 p.m.	
Extra-Ordinary General Meeting	18th November, 2022	3.00 p.m.	

The details of special resolutions passed in the above Annual General Meetings are as follows:

Meeting	Special Resolutions passed in the Annual General Meetings.
56 <sup>th</sup> AGM	No Special Resolution moved in the meeting.
57 <sup>th</sup> AGM	Appointment of Mr. M.P. Jackson (DIN 01889504) as Managing Director
58 <sup>th</sup> AGM	No Special Resolution moved in the meeting.
EGM	Appointment /Reappointment of Dr. Jose Paul Thaliyath (DIN 01773031), Mrs. Nina Paul (DIN 08576074), Mr. Jose John (DIN 01797056) and Mr. Paul Jose (DIN 01616504) as Independent Directors. Fixation of Borrowing Limits of the Company and Authorisation to the Board to create Charges on the assets of the Company up to Rs. 300 Crores under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013.



No resolution was passed through Postal Ballot. In the above Annual/Extra-ordinary General Meetings, held through VC/OAVM, along with remote e-voting, facility was also provided for simultaneous e-voting, while the Annual General Meetings were in progress. The voting pattern of the said meeting is provided in the Companies website “www.kselimited.com” under investor relations.

For the 59<sup>th</sup> Annual General Meeting, members will be provided the facility of remote e-voting for all the resolutions to be passed in the meeting. Members, who have not exercised the remote e-voting facility, will be allowed to vote during the course of Annual General Meeting by ballot. The procedure for remote e-voting has been given in detail in the notes forming part of Notice to the 59<sup>th</sup> Annual General Meeting attached to the Annual Report for the year 2022-2023.

The Company has not moved any resolution through postal ballot.

## 12. Means of Communication

Regularly the Company is publishing extracts of quarterly/half yearly/nine months unaudited financial results and audited annual financial results and the notices of Board meetings in ‘Business Line’ English daily and ‘Mathrubhumi/Malayala Manorama’ Malayalam dailies. The Company has posted the quarterly/half yearly/nine months unaudited results and audited annual financial results in the Company’s website at [www.kselimited.com](http://www.kselimited.com). The aforesaid results are also announced to the Stock Exchange as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto in the respective financial year. The Annual Report is also posted in the Company’s website at “[www.kselimited.com](http://www.kselimited.com)” and can be downloaded.

Your Company provides necessary information to the Stock Exchange in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules and regulations issued by the Securities Exchange Board of India. All disclosures made to the stock exchange are also available on the Company’s website at [www.kselimited.com](http://www.kselimited.com).

## 13. General Shareholder Information

a) AGM - Date, time and venue	Saturday, 26 <sup>th</sup> August, 2023 at 3.00 p.m. KSE Limited, Registered Office, Solvent Road, Irinjalakuda - 680 121.
b) Financial Year	1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
Unaudited Results for First Quarter	On or before 14 <sup>th</sup> August, 2023
Unaudited Results for Second Quarter	On or before 14 <sup>th</sup> November, 2023
Unaudited Results for Third Quarter	On or before 14 <sup>th</sup> February, 2024
Audited Results for year ending 31-03-2024	On or before 30 <sup>th</sup> May, 2024
c) Dividend Payment Date	The final dividend of ₹ 20 per share recommended for the year 2022-2023 by the Board of Directors at its meeting held on 25 <sup>th</sup> May, 2023 and subject to the approval of the shareholders at the ensuing Annual General Meeting, the same will be paid/ dispatched in the month of September, 2023 as follows: <ol style="list-style-type: none"> <li>1. in respect of the shares held in physical form, to those Members, whose names appear in the Register of Members as on August 26, 2023,</li> <li>2. in respect of shares held in electronic form, to those members whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of August 19, 2023.</li> </ol>
	Book Closure Date    August 20, 2023 to August 26, 2023 (both days inclusive)



d) Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The annual listing fee is paid upto date up to the year 2023-2024.

e) Stock Code

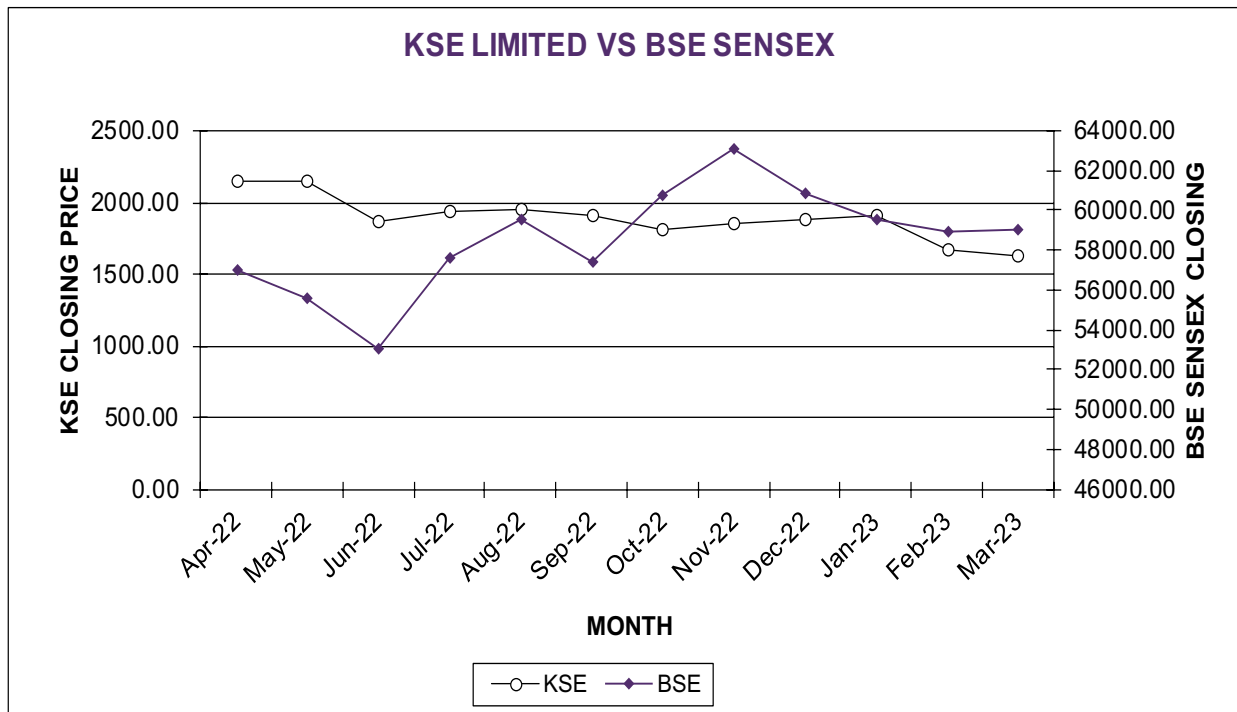
BSE Limited 519421

f) Market Price Data

The monthly high and low prices and monthly volumes of the Company's shares at BSE for the year ended 31<sup>st</sup> March, 2023 are given below:

Month	High (₹)	Low (₹)	Volume (nos.)
April, 2022	2378.00	2101.00	8413
May, 2022	2299.95	2001.05	12078
June, 2022	2183.90	1850.00	5170
July, 2022	1999.95	1860.00	6648
August, 2022	2066.95	1875.00	9944
September, 2022	1987.95	1862.05	10355
October, 2022	1939.50	1750.00	23123
November, 2022	1873.80	1760.20	18089
December, 2022	1988.00	1802.75	22443
January, 2023	1983.50	1806.50	25398
February, 2023	1944.80	1548.85	19698
March, 2023	1755.00	1600.05	11763

g) The Chart below shows the performance of your Company's share price in comparison with BSE Sensex during the financial year 2022-2023 based on month end closing:





## h) Trading

At no point of time the trading of equity shares of KSE Limited was suspended by the Stock Exchange.

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

M/s. S.K.D.C. Consultants Limited  
 "Surya", 35, Mayflower Avenue,  
 Behind Senthil Nagar, Sowripalayam Road  
 Coimbatore – 641 028.  
 Phone : 0422 4958995, 2539835, 2539836; Fax: 0422 2539837  
 E Mail : info@skdc-consultants.com

## j) Share Transfer System

The shares in physical form for transfer should be lodged at the office of the Company's Registrar and Share Transfer Agent, M/s. S.K.D.C. Consultants Limited, Coimbatore. The transfers are processed within the prescribed period from the date of receipt of such request for transfer, if technically found to be in order and complete in all respects. As per directives issued by SEBI it is compulsory to trade in securities of any Company's equity shares in dematerialized form.

As per the requirement of Regulation 40(9) of the SEBI (LODR) Regulations, 2015 the Company has obtained the certificates from the Company Secretary in practice for due compliance of the share transfer formalities, which, is submitted to the Stock Exchange as per the Regulations.

## k) Distribution of share holding

No. of shares held	As at 31 <sup>st</sup> March, 2023			
	No. of Folios	%	No. of Shares	%
1 to 500	6028	91.60	442306	13.82
501 to 1000	192	2.92	147951	4.62
1001 to 5000	265	4.03	592465	18.52
5001 to 10000	45	0.68	312234	9.76
10001 and above	51	0.77	1705044	53.28
<b>Total</b>	<b>6581</b>	<b>100.00</b>	<b>3200000</b>	<b>100.00</b>

## l) Dematerialisation of shares and liquidity

The Company has arrangements 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 details of Shares demated as on 31.03.2023 are as follows:

DEPOSITORY	As at 31 <sup>st</sup> March, 2023	
	No. of Shares	%
NSDL	<b>16,43,247</b>	<b>51.35</b>
CDSL	<b>13,11,634</b>	<b>40.99</b>
<b>Total Demat</b>	<b>29,54,881</b>	<b>92.34</b>

m) Outstanding global depository receipts or  
american depository receipts or warrants  
or any convertible instruments, conversion date  
and likely impact on equity

Nil

n) Commodity price risk or foreign exchange risk  
and hedging activities

Nil

- o) Plant Locations The location of various plants of the Company along with address and phone numbers are provided separately at the end of this Report.
- p) Address for correspondence  
 Company Secretary  
 KSE Limited  
 CIN L15331KL1963PLC002028  
 Irinjalakuda - 680 121, Kerala.  
 Phone : 0480 2825476; 2825576 (Extn: 234)  
 Email : investor.relations@kselimited.com
- q) Credit Ratings The Company has obtained rating from CRISIL for the year ended 31<sup>st</sup> March, 2023. They have given a credit rating as follows:

Rating on		Rating given
Bank Loan Facilities (₹ 63 crores)	- Long Term Rating	CRISIL A-/Stable (Re-affirmed)
	- Short-Term Rating	CRISIL A2+ (Reaffirmed)
Fixed Deposits (₹ 20 crores)		CRISIL A-/Stable (Migrated from 'FA/ Stable)

#### 14. Other Disclosures

- a) **Related party transactions:** There is no materially significant related party transaction that may have potential conflict with the interests of the Company at large. The transactions of purchase of raw materials, mainly coconut oil cake and cattle feed ingredients from concerns in which few 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 with related parties were fair, transparent and at arm's 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 Indian Accounting Standard Ind AS 24 issued by the Ministry of Corporate Affairs is given under Note No. 35.24 of Notes to the Annual Accounts.
- b) **Details of Non-compliance:** No penalty or strictures were imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years.
- c) **Whistle Blower Policy:** In terms of Sub-sections (9) and (10) of Section 177 of the Companies Act, 2013 and in terms of Regulation 22 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Mechanism provides for adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases and no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy and Vigil Mechanism of the Company is posted in the Company's website at "www.kselimited.com" under "Investor Relations". As per the requirement of Clause 6 of Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations as amended, our Company ensures to make employees aware of such WhistleBlower Policy to report instances of leak of unpublished price sensitive information. The disclosures made herein shall be treated as disclosures required to be made under Section 177 of the Companies Act, 2013.
- d) **Compliance of mandatory and non-mandatory requirements:** The Company has implemented all applicable mandatory requirements specified under SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015. The status of compliance of discretionary requirements specified in Part E of Schedule II of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 is as under:

The Company has complied with the non-mandatory requirement as regards unmodified financial statements. The Chairperson is a non-executive director and totally unrelated to the Managing Director. An office is made available for the use of the Chairperson, if required by him, during his visits to the Company. Also, all the internal audit reports are placed before and considered by the Audit Committee. The Company has not initiated with the non-mandatory requirement of sending half-yearly declaration of financial performance including summary of the significant events in the last six-months as otherwise the Company is communicating with the shareholders as explained under "means of communication".



- e) **Material Subsidiaries:** The Company does not have any subsidiary.
- f) **Weblink for Policy on related party transactions:** The Related Party Transactions Policy and Procedures as approved by the Board is placed in the website of the Company “[www.kselimited.com](http://www.kselimited.com)” under investor relations.
- g) **Commodity price risks and Commodity hedging activity:** The main inputs for the manufacture of ready-mixed cattle feed are agricultural commodities. Agricultural markets, by their nature, are volatile and tend to move in line with various factors like farmers’ choice of crop, yield, season and rainfall. The milk price is being indirectly controlled by the Government. This in turn, at times, restricts us from passing on the incremental cost of raw materials to our customers, in the best interest of the farming community, and keeping in mind the long term interest of the Company as well. Another commodity price risk emerges from foreign exchange rate risk, in case of imported ingredients. For this, we employ proper forward cover, if required, as per the situation then prevailing. Our primary objective in commodity hedging is to minimize price risk and earnings volatility, stabilize procurement costs and sales prices, and get the best margins. To combat the commodity price risks, we are employing several methods such as seasonal buying and storing, economic buying quantity, payments for supplies on delivery, sourcing of material from the origin, multiplicity of sources, etc. In cases, despite our best efforts, the commodity prices are moving erratic, suitable adjustments in the prices of finished products will be resorted to. The Company is not resorting to any forwards or futures or any similar commodity hedging instruments or any commodity options or commodity swaps to cover up the commodity price risks.
- h) **Utilization of funds raised through preferential allotment as specified under Regulation 32 (7A):** The Company has not raised funds through preferential allotment or qualified institutional placement.
- i) **Certificate from Practicing Company Secretary:** Certificate as required under Part C of Schedule V of Listing Regulations, received from BVR & Associates Company Secretaries LLP, Practicing Company Secretary, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority has been annexed to the end of this Report.
- j) **Recommendations of Committees of the Board:** There were no instances during the financial year 2022-2023, wherein the Board had not accepted recommendations made by any committee of the Board.
- k) **Total fees paid to Statutory Auditors of the Company:** Total amount paid to statutory auditors is ₹ 18.30 lakhs including GST and out-of-pocket expenses and the details of payments to auditors is given in the Notes to Financial Statements as Note No. 33 - Other expenses. The Company does not have any subsidiary or network firm/network entity.
- l) **Disclosure on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The Company has not received any complaints during the year 2022-2023. The details relating to the number of complaints received and disposed of during the financial year 2022-2023 are as under:
- |  |     |
|--|-----|
| a. Number of complaints filed during the financial year:         | Nil |
| b. Number of complaints disposed of during the financial year:   | Nil |
| c. Number of complaints pending as on end of the financial year: | Nil |
- m) **Disclosure of Loans and advances to firms/companies in which directors are interested:** The Company has not granted any ‘Loans and advances in the nature of loans to firms/companies in which directors are interested’.
- 15. Compliance of corporate governance :** All the requirements of corporate governance report have been complied by the Company, as far as applicable to the Company. All the requirements of corporate governance specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied, so far as the same are applicable to the Company.

By Order of the Board

Sd/-

**Mr. Tom Jose**  
(DIN : 01971467)  
Chairman

Irinjalakuda  
May 25, 2023

## CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

[Pursuant to clause 10 of Part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of KSE LIMITED [Company No. L15331KL1963PLC002028] 20/173, P.B.No. 20, Solvent Road, Irinjalakuda – 680 121, I hereby certify that:

On the basis of the written representations/declarations received from the Directors and taken on record by the Board of Directors, as on March 31, 2023, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

Place : Cochin  
Date : 25.05.2023

Sd/-  
Yogindunath S  
FCS 7865; COP 9137  
Designated Partner  
BVR & Associates Company Secretaries LLP  
Firm Regn No. AAE-7079

UDIN : F007865E000373736  
PEER REVIEW NUMBER : P2010KE020500

## DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31<sup>st</sup> March, 2023.

Irinjalakuda  
May 25, 2023

By Order of the Board

Sd/-

**M.P. Jackson**  
(DIN : 01889504)  
Managing Director



## PLANT LOCATIONS

### PRODUCTION UNITS

#### KERALA

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

KSE Limited  
Koratty Unit, KINFRA Park, Nalukettu Road,  
Koratty - 680 309, Thrissur Dist.  
Tel: 0480 2735855, 2734590, 2735920

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

KSE Limited  
Palakkad Unit, Othungode, Kerala,  
Palakkad - 678 004  
Tel: 0491 2543332, 2543451, 2541858

KSE Limited  
Dairy Unit, Konikkara, Marathakkara P.O.,  
Thrissur - 680 306  
Tel: 0487 2351501, 2358806, 2356394

KSE Limited  
Ice Cream Unit, Vedagiri,  
Kurumullur P.O, 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,  
252565

KSE Limited  
Dairy Unit, Thalayuthu P.O.  
Palani Taluk  
Tamil Nadu - 624 618 Tel: 04252 252860, 252861

#### 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

KSE Limited  
NIDA, Menonpara Road, Kanjikode,  
Palakkad - 678 621  
Tel: 0491 2566922

#### BRANCH

KSE Limited  
9/622A, Petta, Kodampuzha Road  
Farook, Kozhikode - 673 631.  
Tel: +91 94961 21198



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry Structure and Development

India currently represents one of the fastest growing animal feed markets in the world. The increasing demand for animal protein and dairy products has resulted in a growing livestock population in India, which in turn has increased the demand for animal feed. Currently the poultry, aqua and dairy industry accounts for the major share of the Indian animal feed industry. Modern animal feed products are manufactured by carefully selecting and blending ingredients to impart highly nutritional diets that both increase the quality of its end products such as meat, milk, eggs and at the same time maintain the health of the animal.

Changing lifestyles and rising per capita income in India have resulted in a shift in the dietary habits in the country leading to increased consumption of milk, egg and meat. The animal population in India is expected to increase continuously in the medium and long terms. India has recorded higher growth of exotic and cross-bred variety of cows, which continue to be preferred by many dairy farmers due to their much higher yield as compared to the indigenous breeds of cows. The Indian government along with private initiatives are increasing the awareness of better feed practices among farmers. Farmers are becoming more aware of the animal health and the importance of a balanced and nutritional food for their animals. All this put together, results in growing demand for compounded animal feed.

### 2. Opportunities and Threats

The advantages to your Company in cattle feed and cake processing industries are (1) its vast experience in these industries of about 50 years (2) its leadership in the market (3) adherence to high quality standards and acceptability of the feed 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 network 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 helping to build up stock on favourable situations. The threats to the Company in these two segments are (1) competition from other manufacturers in organised and unorganised sectors (2) probable entry of multinational entities (3) surge in the fuel prices leading to increase in the price of ingredients (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, to pass on the cost escalation to the consumers (7) switching of crop by farmers from oil seeds and grains (from which our ingredients are derived) to other crops (8) severe shortage in availability of manual local labour leads to increase in the cost of labour as these two segments are highly labour oriented (9) import of cheaper oils for bulk consumption leading to fall in demand for refined coconut oil (10) failure of crop and shortage in production of grains and oil seeds due to failure of monsoon/seasonal rain (11) the raw materials used in the production of animal feed, like soybean meal, sorghum and maize, are being diverted for the consumption of humans, leading to a shortage in the feed industry. (12) recent increase in sea freights many fold on account of several reasons acts as deterrent to import of copra expeller cake and (13) the impact of Russia's war on Ukraine and its impact on food and energy prices. 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) outbreak of pandemic diseases requiring lock down of operations of factories and outlets (2) unhealthy competition from small players dealing with inferior quality products (3) entry of big players including multinational corporations in the segment catered by your Company.

### 3. Segmentwise Productwise Performance

The segmentwise revenue and year to year change are given hereunder:

Segments	2022-23		2021-22		Year to year change Percentage
	₹ in lakhs	Percentage	₹ in lakhs	Percentage	
Animal Feed	141312.65	87.78	146687.10	87.83	(3.66)
Oil cake processing	14829.74	9.21	16840.79	10.09	(11.94)
Dairy	4845.97	3.01	3477.93	2.08	39.33
Total	160988.36	100.00	167005.82	100.00	(3.60)



When the world economy was under the grip of covid pandemic, during the years 2020-21 and 2021-22, the sales volume of cattle feed has recorded a growth of 6.61 % and 4.45% respectively and the sales volume of feed for the year 2021-22 has reached 620377 tons. We had to resort to frequent increase in the selling price of feed starting from March, 2021 to combat the steep increase in the ingredient prices and the ingredient prices are still ruling at very high level. During the pandemic situation, many lost their employment abroad and had to return back to Kerala. Further, local keralites also faced unemployment due to lock-downs and other restrictions. At that time such unemployed families found cattle rearing as a profitable avenue, and many switched to cattle rearing in Kerala. Thus, during the covid period there was a sudden spurt in the animal population in Kerala and we could take advantage of the additional demand by ensuring regular supply despite the restrictions imposed to tackle the pandemic. After regaining normalcy, many of the new entrants to cattle rearing in Kerala had either returned to their earlier profession or had found new avenues and left cattle rearing. Thus, there was a fall in the animal population in Kerala, and we were the one severely affected by the lower demand, as our feed price was ruling very high compared to other brands available in the market. When it is felt that the increase in raw material prices is likely to continue for a longer period, the Company had taken a bold decision to increase the feed prices to such levels to avoid losses. The other competing brands in the government sector did not increase the feed prices at that time. Upto November, 2022, the price of our feed compared to that of competing brands in the Government and Co-operative sector was more than ₹ 3500 per ton. In addition to the difference in price, the said competing brands were enjoying subsidy from Government, which was not available to our feed, as we operate in private sector. The State Government did not allow revision of milk price till November, 2022, and finally allowed an increase of about ₹ 5 per litre. Since the imminent revision of milk price was held back by the Government, many farmers found it difficult to manage and they left cattle rearing itself, as it became highly uneconomical. After revision of the milk price upward, by December, 2022 the above competing brands also increased their prices at par with that of our prices. However, by that time the damage was done and we had a dent in our market. As a result of all these factors, the sale volume of feed has reduced in 2022-23 by 12% from 6.20 lakh tons to 5.45 lakh tons. The annual turnover of animal feed also has registered a fall of 3.66%, compared to that of previous year.

The quantity of copra cake processed in the Cake Processing Division was 1,15,689 tons in year 2022-23, against 1,28,151 tons in the previous year. The copra cake, after extraction of oil, is being used in cattle feed as an ingredient. Since the volume of cattle feed registered a fall in year 2022-23, the processing of copra cake also has reduced by 9.72%. The average realisation on sale of coconut oil has reduced considerably. The average realisation for coconut oil is ₹ 1.19 lakhs per ton during the year 2022-23, whereas the same was ₹ 1.47 lakhs and ₹ 1.54 lakhs per ton respectively for years 2021-22 and 2020-21. In March, 2021 the coconut oil price was around ₹ 1.90 lakhs per ton which came down to the level of ₹ 1.15 lakhs per ton in March, 2023. Due to the steep fall in the price of refined coconut oil during the year 2022-23, the turnover of cake processing division has reduced by 11.94%.

The volume of sale of milk has increased by 23.76% compared to previous year. However, the Government influenced the market to keep the price of milk unchanged despite the steep increase in the cost of feed. At the same time the procurement price of milk at Tamil Nadu was high. Hence, the milk price in Kerala was not in harmony with our procurement rate. In 2021-22, we could recapture the volume of sale of Vesta ice cream to the level of pre-covid period, with an advertisement budget of around ₹ 2.50 crores. In that year, we also shifted our focus to premium segment, by cutting short the volume business of cheaper varieties of ice cream, wherein the margin is almost nil. In year 2022-23, we further spent ₹ 2.70 crores for advertisement of Vesta ice cream. By consistent efforts, the sales volume of ice cream has registered a growth of nearly 40% in the current year under report.

The year to year change in the volume of operation in different segments are discussed under

Segments	Units of measurement	2022-23	2021-22	Year to year change (Percentage)
		Quantity	Quantity	
Cattle Feed	Tons	545611	620377	(12.05)
Deoiled cake	Tons	13751	12471	10.26
Refined coconut oil	Tons	9143	8751	4.48
Milk	Kilo Litres	5147	4159	23.76
Ice Cream	Kilo Litres	1675	1202	39.35

In the above table, the year to year volume of sale of animal feed has reduced by 12.05 %. The reason for the fall is mainly on account of farmers leaving cattle rearing due to uneconomical operations and the huge disparity in the price of our feed and that of other leading brands in Kerala. Since the price of our feed was very high compared with that of other competing brands for the first three quarters of year 2022-23, we had to bear the whole impact of the fall in demand.

The sales volume of milk and ice cream registered considerable growth as a result of measures taken by the management in the form of engaging additional marketing force, exploration of new markets and expenditure on advertisement as discussed in earlier paragraphs in detail.

The segmentwise earnings before interest and tax are furnished below:

Segments	2022-23	2021-22	Year to year change ₹ in lakhs
	₹ in lakhs	₹ in lakhs	
Animal Feed	791.06	1288.03	(496.97)
Oil cake processing	(513.73)	224.71	(738.44)
Dairy	(641.64)	(373.40)	(268.24)
Unallocated income net of expenditure including interest income	155.12	263.32	(108.20)
Total profit / (loss) before exceptional items, interest and tax	(209.19)	1402.66	(1611.85)

In year 2022-23, the annual average raw material cost of feed has gone up by 9.80 % over that of previous year. This is after registering an increase of 16.75 % in the annual average raw material cost of feed in the year 2021-22 compared to previous year. In year 2021-22, the average selling price of feed has increased by around 7.30 % compared to year 2020-21. It was further increased by 9.30% in the year 2022-23, in order to avoid loss. The ingredient prices were stable till February, 2021 and started increasing constantly, gaining the momentum in the last quarter of year 2021-22 and thereafter. Upto February, 2021, the average cost of ingredients was around ₹ 18,000 per ton, which has gone up to ₹ 22,500 per ton by March, 2022, and it further increased to ₹ 23,500 per ton for most part of the year 2022-23. Thus the increase in the price of feed ingredients over the period of the said 26 months is over 30%. We had increased the selling price of feed in several tranches to make up the loss. The average realisation on sale of feed in March, 2021 was ₹ 21,880 per ton and that in March, 2023 it is ₹ 25,909 per ton, that is, the selling price was hiked by around 18.40 % over a period of 26 months. As a result of the abnormal increase in the ingredient prices, which could not be matched with equal increase in the selling rates, the profit of the Animal Feed Division has reduced drastically.

In the cake processing division, local supply of copra cake was in short during the year 2022-23. We had to depend heavily on imported cake as in last year. However, as a result of short supply in Indonesia and Philippines, the imported copra cake has become costlier by around 25%. Due to scarcity of local supply of copra cake, the domestic price for copra cake was also on the higher side. The year to year annual average rate of consumption of cake has not varied much. However, compared to the average rate of ₹ 24,000 in the year 2020-21, the increase in the rate of average consumption of copra cake is around 17%. The average consumption rate of copra cake as on March, 2021 was ₹ 24,000, which has gone up to the level of ₹ 29,671 per ton, by the end of the year 2022-23. Contrary to the above, the coconut oil price had a free fall from ₹ 190/kg. in April, 2021 to ₹ 115/kg. by the end of year 2022-23. At present, the coconut oil is cheaper compared to most of the other substitutes. All these put together, the profitability of cake processing division has further eroded considerably during the year under report.

There is no margin on the milk division and the procurement rate of milk in Tamil Nadu is ruling very high. At the same time, the selling price of milk is still low, even after the increase in the milk price in November, 2022. As such we had incurred loss of ₹ 121 lakhs in the milk division compared to ₹ 104 lakhs in the previous year. We have improved the markets with premium varieties and are pushing ahead to capture more market share. The main ingredient for ice cream is milk and cream there from. Since the cost of milk has gone up, the cost of production of ice cream also has gone up. To capture the markets, we have kept the price of all varieties of ice cream slightly lower than other competing brands, at the same time keeping the quality as the best, and thus had booked loss during the year 2022-23.

#### 4. Outlook

The cost of ingredients used in the manufacture of animal feed like rice bran, maize, cotton seed deoiled cake, groundnut cake etc. has gone up and still continuing at the same high levels. The situation is expected to continue for a few months. We have increased the selling price of feed to cover-up the cost and the feed division is generating slight margins. We will be making appropriate adjustments in the selling price, according to the ingredient prices keeping in consideration all the related situations. The indirect control of the Government on the procurement price of milk places the farmers into a lot of hardship and while taking pricing decisions, we have to weigh this fact in the best interest of the Company. Since the price of milk is artificially kept low for the time being, there is no scope for further increase in the price of feed in the short term. The demand for the feed is now showing an increasing trend which will be helpful to us to utilise the production capacity and maintain the revenue.



In the cake processing division, we have to process around 1,25,000 tons of copra cake, to meet our requirements for deoiled copra cake, which is one of the major ingredients in our feed. The availability of local copra cake is still at strain as the price quoted are very high. The availability of copra cake from Philippines and Indonesia is also in short-supply, and the cost there of has increased by 20 to 30 %. The volatility in the exchange rate of dollar also makes the task highly tough. The coconut oil price is moving downward. This will add strain to the cake processing division, as the demand for coconut oil is very low. Since copra cake is a major ingredient for cattle feed, we have to operate the division, even if with low margins, for the time being. The operation of this division is expected to be challenging during the coming months, until the oil price improves or copra cake is available at reasonable cost.

Currently the procurement cost of milk is very high and the selling price of milk is still lower. As such the margin on milk is practically nil. We are expecting a reduction in the procurement price of milk during the monsoon season, when the availability of milk will improve.

There is good demand for Vesta ice cream and we are expecting the same to pick up further. We have made a significant shift from high volume-low price ice cream varieties like frozen dessert to the rich pure ice cream varieties, which are expected to bring in good returns. We are also offering credits to the dealers of ice cream in a controlled manner. We are confident that we can increase the margin for Vesta ice cream and the consumers will be ready to buy the premium product at a higher price. We are planning to improve the ice cream business at a slow and steady pace, without committing much heavy budgets on advertisement and capital expansion plans.

## 5. *Risks and Concerns*

The cattle feed raw material prices are likely to rule at very high levels and normalcy is not expected in the immediate future. We have tried to match the price of feed so far as possible to avoid losses. Under the current situation, the profitability of feed business will be under strain. We are concentrating on improving the market for our feed in Tamil Nadu, which is now showing good improvement. We expect that tapping of unexplored markets in Tamil Nadu will help us to regain the lost volumes. Since the price of competing brands are more or less matching with our price, we sincerely expect that the volume of feed sales in Kerala markets will improve considerably. As a result of maintaining high quality for the feed, the market acceptability for KS Brand cattle feed is very high in the States of Kerala and Tamil Nadu and we expect to improve the sales volume of feed.

The import cost of copra cake is at present very high and the exchange rate of the dollar also is highly volatile. We have to process around 1,25,000 tons of cake to meet the requirement of cattle feed division, wherein the deoiled cake is used as an ingredient. The coconut oil rates has decreased to the level of ₹ 115/kg. from an attractive level of ₹ 190/kg. about two years back. This will also add to the strain in the margins in cake processing division. We are hopeful that the situation may improve by the second half of the current year.

We are expecting the performance of Dairy division to improve with the backing of reasonable advertisement budget. We have already achieved good improvement in the volume of ice cream which is expected to further improve in the current year. Since we are planning to increase the price for all varieties of ice cream, maintaining the high quality intact, we expect to augment the performance of Dairy division and its profitability.

## 6. *Internal Control Systems and their adequacy*

The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness, and compliance is ingrained into the management review process. There are adequate internal control systems in vogue in all spheres of operations of the Company so as to ensure safety of 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. The internal audit reports and the corrective actions taken for the shortcomings reported in those reports, if any, are being discussed in the meetings of the Audit Committee.

## 7. *Financial and Operational Performance*

The Revenue from Operations has a slight fall of 3.60 % to ₹ 1610 crores from ₹ 1670 crores, compared to previous year. The fall in turnover is mainly due to the reduction in the sales volume of cattle feed. For the reasons already discussed the volume of sale of cattle feed decreased by 12 % and realisation on the sale of coconut oil also registered a fall. However, on increasing the selling price of feed, the reduction in the turnover has been partly compensated. For the reasons explained above, the Company has incurred a loss of ₹ 2.33 cores compared to an after tax profit of ₹ 6.89 cores in the previous year.

The sales volume of feed has registered a fall of 12 % to 5.45 lakhs tons from 6.20 lakhs tons in the previous year. The ingredient prices had increased by over 30% in a two year span. Though the selling price of feed has been increased as far as possible to avoid loss, there was limitation in increasing the selling price on the fear of losing the market. As a result of this, the profit of Animal feed division further decreased compared to mediocre performance in the previous year. The feed division reported a profit of ₹ 7.91 crores compared to the previous year profit of ₹ 12.88 crores.

We processed 1.15 lakh tons of copra cake in the year 2022-23 as against 1.28 lakh tons of copra cake in the previous year. With the reduction in the volume of feed produced, the volume of cake processed also reduced, since we are using the deoiled cake as an ingredient to feed. The selling price of coconut oil had reduced considerably and at the same time due to scarcity of domestic and imported copra cake, the cost of copra cake has gone up very high. The cake processing division reported a loss of ₹ 5.14 crores as against previous year profit of ₹ 2.25 crores.

The volume of sales of ice cream improved to 1675 kl. in the year 2022-23 as against 1202 kl. in the year 2021-22. As a result of sales promotion efforts supported by good advertisement budget coupled with a soft selling price and high quality, based on a considered decision to establish the market for ice cream, and also due to the loss in milk division discussed earlier, the loss of Dairy division increased from ₹ 373.40 lakhs in year 2021-22 to ₹ 641.64 lakhs in the year under report.

## 8. Key Financial Ratios

The Key Financial Ratios are given below with comparative figures for the previous year:

Key Financial Ratios	Method of calculation	2022-23	2021-22
Debtors Turnover	Revenue / Average Trade Receivables	1176.58 times	2075.27 times
Inventory Turnover	Revenue /Average Inventory	11.30 times	10.05 times
Interest Coverage Ratio	EBIT/Finance Cost	(0.44) times	7.40 times
Current Ratio	Current assets/Current liabilities	5.29 times	5.21 times
Debt Equity Ratio	Total borrowings/Shareholder's Equity	0.09 times	0.09 times
Operating Profit Margin	EBIT/Revenue	(0.06) %	0.84 %
Net Profit Margin	PAT/Revenue	(0.15) %	0.39 %
Return on Net Worth	PAT/Shareholder's Equity	(1.11) %	2.95 %

The reason for variation in Debtors Turnover is mainly due to the increase in trade receivables in years 2021-22 and 2022-23, due to the shift in marketing strategy in favour of sanctioning credits, especially to ice cream dealers. The reasons for the loss in the year 2022-23 as compared to the profit of previous year has been discussed in detail in the earlier paragraphs of this report and that explains the change in the ratios that are related to profit.

## 9. Industrial Relation

The Company has 786 employees on its rolls as on 31.03.2023. The Company is an exception to the adverse labour conditions existing in Kerala. All the Units of the Company functioned without any labour issues during the financial year 2022-23. In that year long-term settlement with Unions of Irinjalakuda Unit effective from 01.04.2022, that of Palakkad Unit effective from 01.08.2022 and that of Konikkara Unit effective from 01.06.2021 has been completed. The long term settlement with unions of Koratty Unit due from 01.01.2023, that of Vedagiri Unit effective from 01.04.2023 and that of Swaminathapuram Unit effective from 01.05.2023 are in progress and we are expecting to conclude the same on an early date. The management continues to maintain cordial industrial relations with all the employees of the Company, attending to their grievances with an open mind.

## 10. 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.

By Order of the Board

Sd/-

**Tom Jose**  
(DIN : 01971467)  
Chairman

Irinjalakuda  
May 25, 2023





## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of KSE Limited  
Irinjalakuda, Kerala-680121.

1. This report contains details of compliance of conditions of Corporate Governance by KSE Limited (CIN:L15331KL1963PLC002028) ("the Company") for the year ended 31<sup>st</sup> March, 2023 as stipulated in regulations 17 to 27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the 'Regulations') pursuant to the Listing Agreement of the company with the Stock Exchange.

### Management's responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management including the preparation and maintenance of all relevant supporting records and documents.

### Auditor's responsibility

3. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations for the year ended 31<sup>st</sup> March, 2023.
5. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI) and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Other Matters

The audit committee constituted by the company was not complying with the Regulation 18(1) of SEBI (LODR) Regulation, 2015 with regard to the proportion of the Independent Directors specified for the constitution of audit committee since 1<sup>st</sup> October 2022 and the company subsequently rectified by passing a circular resolution on 27.04.2023.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned Regulations.
8. 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.

### Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirements of the Regulations, and it should not be used by any other person for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **SRIDHAR & CO.**  
Chartered Accountants,  
Thiruvananthapuram  
(Firm No. 003978S)

Sd/-  
**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)  
Partner  
UDIN: 23026343BHAIWX8400

Irinjalakuda  
May 25, 2023



## INDEPENDENT AUDITOR'S REPORT

To the Members of KSE Limited  
Irinjalakuda, Kerala – 680121

### Report on the Audit of the Standalone Ind AS Financial Statements

#### OPINION

We have audited the accompanying Ind AS financial statements of KSE Limited (CIN:L15331KL1963PLC002028) (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind AS financial statements”) which we have signed under reference to this report.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

#### EMPHASIS OF MATTER

We draw attention to the matters detailed below. Our opinion is not modified in respect of these matters.

- a. Note No 23.2 in the Ind AS financial statements : As stated in the note, the classification of trade payables as covered under the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 and others, is as carried out by the company based on the information available with it.
- b. Note No 35.9 in the Ind AS financial statements : The company has stated in this note that it has a system of obtaining confirmations of balances. However, balances in the accounts, except balances with banks and a few trade receivables are subject to confirmation.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### **Key Information technology (IT) systems used in financial reporting process.**

###### *Key Audit Matter Description*

The Company’s key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Also, the company is using an ERP Solution developed in house and it has yet to be evolved into a full fledged end to end solution, necessitating manual interventions at various levels, while the system is handling large transaction volumes at multiple locations. We have identified ‘IT systems and controls’ as key audit matter because of the manual interventions and the untested environment of an evolving ERP.

###### *How the Key Audit Matter Was Addressed in the Audit*

We focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.



We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, design and operating effectiveness of key controls over user access management and preventive controls designed to enforce segregation of duties. For a selected group of key controls over financial and reporting systems, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. Other areas that were assessed included security configurations, system interface controls, controls over changes to applications and databases and controls to ensure that developers and production support did not have access to changing applications, the operating system or databases in the production environment.

We have identified the manual intervention areas and evaluated the design, implementation and effectiveness of the controls over the manual interventions. We have tested samples in key areas of manual interventions to ensure the effectiveness of the control system in force.

## **INFORMATION OTHER THAN THE IND AS FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report including the annexures to Directors' Report, Secretarial audit Report, Management Discussion & Analysis Report and Corporate Governance Report included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE IND AS FINANCIAL STATEMENTS**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statement in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the year ended 31<sup>st</sup> March 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended by Companies (Indian Accounting Standards) Amendment Rules, 2022.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2023 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 it is reported that :

The audit committee constituted by the company was not complying with the Regulation 18(1) of SEBI (LODR) Regulation, 2015 with regard to the proportion of the Independent Directors specified for the constitution of audit committee since 1<sup>st</sup> October 2022 and the company subsequently rectified by passing a circular resolution on 27.04.2023..



- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 35.3 to the Ind AS financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been a delay of two weeks in transferring amount of Rs.14.43 Lakhs related to unpaid dividend for FY 2014-15 required to be transferred to the Investor Education and Protection Fund by the Company during the year.
  - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, the final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- As stated in Note 18.1 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- k) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **SRIDHAR & CO.**  
Chartered Accountants,  
Thiruvananthapuram  
(Firm No. 003978S)

Sd/-  
**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)  
Partner

UDIN: 23026343BHAIWW8130

Irinjalakuda  
May 25, 2023

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls over financial reporting of M/s KSE Limited (CIN:L15331KL1963PLC002028) ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS financial statements**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SRIDHAR & CO.**  
Chartered Accountants,  
Thiruvananthapuram  
(Firm No. 003978S)

Sd/-  
**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)  
Partner

UDIN: 23026343BHAIWW8130

Irinjalakuda  
May 25, 2023

### ANNEXURE - "B" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of the Company's fixed assets :
  - a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets. The software in respect of register of fixed assets is under upgradation.
  - B. The Company has maintained proper records showing full particulars of intangible assets. The software in respect of register of intangible assets is under upgradation.
  - b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed on such verification. In our opinion, the frequency of verification is reasonable and the process of physical verification is to be improved.
  - c) In our opinion and according to the information and explanations given to us, the title deeds of all the immovable properties (other than properties where the Company is the lessee and lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a) We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion the procedures of physical verification of inventory followed by management are reasonable and adequate in relation to size of the company and the nature of its business. The Company is maintaining proper records of inventory. According to the information furnished to us no discrepancies of 10% or more in aggregate for each class of inventory were noticed on such verification between the physical stock and the book records.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- iii. The company has not granted loan or advances in the nature of loans to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Except the loans to employees which are recovered through payroll on a regular basis and interest free advance to employees which are being repaid as stipulated, no other loans have been given by the company. So clause iii (a) to (f) are not applicable to the company.



- iv. In our opinion and according to the information and explanations given to us, in respect of loans granted, investments made, and guarantees and securities provided, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. In respect of deposits accepted by the Company from public, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act ,2013 and the Rules framed there under, wherever applicable, have been complied with.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 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.
- vii. According to the information and explanations furnished to us and according to our examination of the records of the Company in respect of the Statutory dues:

- a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year except in the case of interest on Customs duty of ₹ 66.31 Lakhs for the period 2008-09 and 2009-10 provided in the books as per its computation wherein an appeal was pending before Hon High Court of Kerala was dismissed during the year and as on March 31, 2023, no dispute is pending on the interest payable.

There were no other undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- b) Details of dues of sale tax, income tax, customs duty, goods and service tax, wealth tax, excise duty and cess, which have not been deposited on account of any dispute are as shown below :

Name of the statute	Nature of the dues	Period to which the amount relates to	Amount (₹ in lakhs)	Forum where dispute is pending
Kerala General Sales Tax Act, 1963	Sales tax	Financial year 2000-01	25.40	Deputy Commissioner (Appeals) – remanded to Assistant Commissioner (Assessment)
ESI Act,1948	Contribution on wages	01-04-1996 to 31-03-2002	2.90	The case is pending at the ESI Court Palakkad

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. a) 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 loans or borrowings to the banks and financial institutions. The company has neither taken any loans nor borrowings from government nor has any dues to debenture holders.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) To the best of our knowledge and belief, in our opinion, the company has not availed any term loans and hence reporting under clause 3(ix)(c) is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
- f) The Company does not have any subsidiaries, joint ventures, or associate companies, so reporting under clause 3(ix)(f) is not applicable to the company.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer(including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the order is not applicable to the Company.
- xi. a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.



- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, there were no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details as required by the applicable Ind AS have been disclosed by the management in Note No. 35.24 of the Notes forming part the Ind AS financial statements.
- xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports issued to the Company during the year and covering the period up to 31<sup>st</sup> March 2023.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, reporting under clause 3(xv) of the Order is not applicable.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) of the Order is not applicable.
- b) The company is not part of any group and accordingly reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR), in respect of other than ongoing projects and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso of sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) In respect of ongoing projects, the company does not have any unspent corporate social responsibility (CSR) amount as at the end of the previous financial year requiring a transfer to a special account in compliance with the provision of sub-section (6) of section 135 of the said Act and at the end of the current financial year. Hence, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **SRIDHAR & CO.**  
Chartered Accountants,  
Thiruvananthapuram  
(Firm No. 003978S)

Sd/-  
**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)  
Partner

UDIN: 23026343BHAIWW8130

Irinjalakuda  
May 25, 2023

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023

Particulars	Note No.	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
<b>A. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2A	3,964.58	3,813.86
(b) Capital Work in Progress	2B	282.17	192.34
(c) Other Intangible Assets	2C	8.34	11.70
(d) Financial Assets			
(i) Investments	3	327.48	102.50
(ii) Loans	4	14.82	19.24
(iii) Other Financial Assets	5	183.86	191.16
(e) Deferred tax assets - Net	6	6.61	—
(f) Other non-current assets	7	657.30	71.03
<b>Total non-current assets</b>		<b>5,445.16</b>	<b>4,401.83</b>
<b>Current Assets</b>			
(a) Inventories	8	12,246.33	16,246.26
(b) Financial Assets			
(i) Investments	9	6,312.15	4,559.87
(ii) Trade Receivables	10	150.68	122.98
(iii) Cash and Cash Equivalents	11	892.52	1,466.80
(iv) Bank Balances other than (iii) above	12	387.04	203.64
(v) Loans	13	182.92	187.18
(vi) Other Financial assets	14	4.94	4.59
(c) Current tax assets (net)	15	406.06	113.95
(d) Other Current Assets	16	764.64	757.32
<b>Total current assets</b>		<b>21,347.28</b>	<b>23,662.59</b>
<b>Total Assets</b>		<b>26,792.44</b>	<b>28,064.42</b>



Particulars	Note No.	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	320.00	320.00
(b) Other Equity	18	21,085.16	21,958.00
<b>Total equity</b>		<b>21,405.16</b>	<b>22,278.00</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,341.02	1,225.94
(ii) Provisions	20	9.09	—
(b) Deferred Tax Liabilities - Net	21	—	16.56
<b>Total non-current liabilities</b>		<b>1,350.11</b>	<b>1,242.50</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	557.46	683.07
(ii) Trade Payables - Micro Enterprises and Small Enterprises	23	177.54	2.27
- Others	23	1,305.44	1,856.76
(iii) Other financial Liabilities	24	1,263.17	1,225.09
(b) Other Current Liabilities	25	733.56	776.73
<b>Total current liabilities</b>		<b>4,037.17</b>	<b>4,543.92</b>
<b>Total Liabilities</b>		<b>5,387.28</b>	<b>5,786.42</b>
<b>Total Equity and Liabilities</b>		<b>26,792.44</b>	<b>28,064.42</b>

Significant Accounting Policies 1

Additional Information 35

**The accompanying notes are integral part of the financial statements**

**For and on Behalf of Board of Directors of KSE Limited**  
(CIN No.L15331KL1963PLC002028)

As per our report of  
even date attached

**Tom Jose**  
Chairman (DIN : 01971467) Sd/-

**M.P. Jackson** (DIN : 01889504)  
Managing Director Sd/-

For **SRIDHAR & CO.**  
Chartered Accountants,  
Thiruvananthapuram  
(Firm No. 003978S)

**R. Sankaranarayanan**  
Chief Financial Officer Sd/-

**Paul Francis** (DIN : 00382797)  
Executive Director Sd/-

Sd/-

**Srividya Damodaran**  
Company Secretary Sd/-

**P.D. Anto** (DIN : 00106965)  
Director Sd/-

**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)

Irinjalakuda  
May 25, 2023

**Dony A.G.** (DIN : 09211623)  
Director Sd/-

Partner  
UDIN: 23026343BHAIWW8130

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

Particulars	Note No.	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
<b>INCOME</b>			
Revenue from operations (See Note No. 35.16)		1,60,988.36	1,67,005.82
Other income	26	551.82	599.23
<b>Total Income (A)</b>		<b>1,61,540.18</b>	<b>1,67,605.05</b>
<b>EXPENSES</b>			
Cost of Materials consumed	27	1,34,688.87	1,39,355.44
Purchases of stock-in-trade	28	10,574.56	10,528.75
Changes in inventories of finished goods	29	(53.82)	(1,267.16)
Employee benefits expense	30	5,816.29	5,534.35
Finance costs	31	207.91	189.67
Depreciation and amortisation expense	32	435.52	302.33
Other expenses	33	10,287.95	11,748.68
<b>Total expenses (B)</b>		<b>1,61,957.28</b>	<b>1,66,392.06</b>
Profit before exceptional items and tax (A) - (B) = (C)		(417.10)	1,212.99
Exceptional items (See Note No. 35.4) (D)		(118.47)	285.11
<b>Profit before tax (C) - (D) = (E)</b>		<b>(298.63)</b>	<b>927.88</b>
<b>Tax Expense</b>			
Current tax		—	330.00
Relating to earlier years (net)		(35.54)	—
Deferred tax		(24.95)	(59.25)
<b>Total Tax Expenses (F)</b>		<b>(60.49)</b>	<b>270.75</b>
<b>Profit for the year (E) - (F) = (G)</b>		<b>(238.14)</b>	<b>657.13</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss Remeasurement of defined benefit obligation		7.08	43.09
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.78)	(10.84)
<b>Total other comprehensive income (net of tax) (H)</b>		<b>5.30</b>	<b>32.25</b>
<b>Total comprehensive income for the year comprising profit and other comprehensive income for the year (G) + (H)</b>		<b>(232.84)</b>	<b>689.38</b>
Basic and diluted earnings per equity share (₹)	34	(7.44)	20.54
Nominal value per equity share (₹)		10.00	10.00
Significant Accounting Policies	1		
Additional Information	35		

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

For and on Behalf of Board of Directors of KSE Limited  
(CIN No.L15331KL1963PLC002028)

As per our report of  
even date attached

**Tom Jose**  
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For **SRIDHAR & CO.**  
Chartered Accountants,  
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Executive Director Sd/-

Sd/-

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Company Secretary Sd/-

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Director Sd/-

**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)

Irinjalakuda  
May 25, 2023

**Dony A.G.** (DIN : 09211623)  
Director Sd/-

Partner  
UDIN: 23026343BHAIWW8130

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## A. EQUITY SHARE CAPITAL

	No. of Equity shares	Amount ₹ in lakhs
Equity shares of ₹ 10 each subscribed and fully paid up		
Balance as at 1 <sup>st</sup> April, 2022	32,00,000	320.00
Changes in equity share capital during 2022-2023	—	—
Balance as at 31 <sup>st</sup> March, 2023	32,00,000	320.00
Equity shares of ₹ 10 each subscribed and fully paid up		
Balance as at 1 <sup>st</sup> April, 2021	32,00,000	320.00
Changes in equity share capital during 2021-2022	—	—
Balance as at 31 <sup>st</sup> March, 2022	32,00,000	320.00

## B. OTHER EQUITY

₹ in lakhs

Particulars	RESERVES AND SURPLUS						Items of other comprehensive income Remeasurement of defined benefit obligation (net of tax)	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Gratuity Reserve	General reserve	Retained Earnings		
As at 1 <sup>st</sup> April, 2021	78.18	3.00	162.24	154.97	15,000.00	9,007.31	(417.08)	23,988.62
Profit for the year	—	—	—	—	—	657.13	—	657.13
Other comprehensive income net of taxes	—	—	—	—	—	—	32.25	32.25
Total comprehensive income	—	—	—	—	—	657.13	32.25	689.38
Dividends - Final 2020-21	—	—	—	—	—	(2,720.00)	—	(2,720.00)
Transfer to General Reserve	—	—	—	—	—	—	—	—
As at 31 <sup>st</sup> March, 2022	78.18	3.00	162.24	154.97	15,000.00	6,944.44	(384.83)	21,958.00



Particulars	RESERVES AND SURPLUS						Items of other comprehensive income Remeasurement of defined benefit obligation (net of tax)	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Gratuity Reserve	General reserve	Retained Earnings		
As at 31 <sup>st</sup> March, 2022	78.18	3.00	162.24	154.97	15,000.00	6,944.44	(384.83)	21,958.00
Profit for the year	—	—	—	—	—	(238.14)	—	(238.14)
Other comprehensive income net of taxes	—	—	—	—	—	—	5.30	5.30
Total comprehensive income	—	—	—	—	—	(238.14)	5.30	(232.84)
Dividends - Final 2021-22	—	—	—	—	—	(640.00)	—	(640.00)
Transfer to General Reserve	—	—	—	—	—	—	—	—
As at 31 <sup>st</sup> March, 2023	78.18	3.00	162.24	154.97	15,000.00	6,066.30	(379.53)	21,085.16

The Board of directors has recommended a dividend of ₹ 20 per equity share of ₹ 10 each for the year 2022-23 out of retained earnings, subject to approval of shareholders at the ensuing annual general meeting.

Significant Accounting Policies - See Note No. 1

The accompanying notes are integral part of the financial statements.

For and on Behalf of Board of Directors of KSE Limited  
(CIN No.L15331KL1963PLC002028)

As per our report of  
even date attached

**Tom Jose**  
Chairman (DIN : 01971467)

Sd/-

**M.P. Jackson** (DIN : 01889504)  
Managing Director

Sd/-

**R. Sankaranarayanan**  
Chief Financial Officer

Sd/-

**Paul Francis** (DIN : 00382797)  
Executive Director

Sd/-

**Srividya Damodaran**  
Company Secretary

Sd/-

**P.D. Anto** (DIN : 00106965)  
Director

Sd/-

Irinjalakuda  
May 25, 2023

**Dony A.G.** (DIN : 09211623)  
Director

Sd/-

For **SRIDHAR & CO.**  
Chartered Accountants,  
Thiruvananthapuram  
(Firm No. 003978S)

Sd/-

**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)

Partner  
UDIN: 23026343BHAIWW8130

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) for the year	(238.14)	657.13
Adjustments for:		
Depreciation and amortisation expense	435.52	302.33
Finance costs	207.91	189.67
Tax Expense	(60.49)	270.75
Net gain arising on investments - measured at fair value through profit or loss	(175.76)	(33.07)
Interest income from banks	(5.28)	(5.03)
Income from Mutual Fund	(6.93)	—
Provision for employee benefits - Compensated Leave absences	4.75	5.51
Provision for doubtful debts written back	(31.13)	—
Credits no more payable written back	(0.74)	(1.11)
Provision for doubtful debts / advances	30.17	0.37
Advances written back in earlier years paid during current year	—	0.32
Irrecoverable debts and advances written off	—	4.42
Gain on sale of current investments classified at fair value	(132.34)	(277.97)
Outdated packing materials written off	25.85	—
Consultancy fees on suspended projects	55.82	—
Net gain on sale of property, plant and equipment	(4.25)	(6.85)
Operating profit before working capital changes	104.96	1,106.47
Adjustments for:		
Inventories	3,974.08	748.84
Trade receivables, loans & advances and other current assets	(9.76)	196.82
Trade payables, other current liabilities and provisions	(384.44)	(736.83)
Cash generated from operations	3684.84	1,315.30
Income-tax paid	(256.57)	(934.10)
Net cash from / (used in) operating activities (a)	3428.27	381.20

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(621.96)	(1,671.53)
Sale / Compensation on acquisition of property, plant and equipment	7.68	36.05
Advance for purchase of property, plant and equipment	(697.90)	(69.39)
Purchase of investments	(8,724.55)	(11,599.42)
Redemption of investments	7,055.39	18,844.19
Bank deposits not treated as cash and cash equivalents	(204.41)	(38.47)
Bank deposits with long term maturity	(0.04)	0.16
Income from mutual fund	6.93	—
Interest income from banks	5.36	4.05
Net cash from / (used) in investing activities (b)	(3,173.50)	5,505.64
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds /(repayment) of short-term bank borrowings	(229.78)	(2,375.80)
Acceptance of public deposits	687.53	691.98
Repayment of public deposits	(468.28)	(453.58)
Bank balances pertaining to unencashed dividend warrants	21.01	(11.92)
Finance costs	(178.52)	(193.04)
Dividends paid	(661.01)	(2,708.08)
Net cash from / (used in) financing activities (c)	(829.05)	(5,050.44)
<b>D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a)+(b)+(c)</b>		
	<b>(574.28)</b>	<b>836.40</b>
Cash and cash equivalents at the beginning of the year	1466.80	630.40
Cash and cash equivalents at the end of the year (See Note 11)	892.52	1,466.80
<b>E NET INCREASE / (DECREASE) AS DISCLOSED ABOVE</b>		
	<b>(574.28)</b>	<b>836.40</b>
Significant accounting policies - See Note 1		
Note: The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow as notified under The Companies (Indian Accounting Standards) Rules, 2015) - See Note 1.16		

The accompanying notes are integral part of the financial statements.

For and on Behalf of Board of Directors of KSE Limited  
(CIN No.L15331KL1963PLC002028)

As per our report of  
even date attached

<b>Tom Jose</b> Chairman (DIN : 01971467)	Sd/-	<b>M.P. Jackson</b> (DIN : 01889504) Managing Director	Sd/-
<b>R. Sankaranarayanan</b> Chief Financial Officer	Sd/-	<b>Paul Francis</b> (DIN : 00382797) Executive Director	Sd/-
<b>Srividya Damodaran</b> Company Secretary	Sd/-	<b>P.D. Anto</b> (DIN : 00106965) Director	Sd/-
Inrjalakuda May 25, 2023		<b>Dony A.G.</b> (DIN : 09211623) Director	Sd/-

For **SRIDHAR & CO.**  
Chartered Accountants,  
Thiruvananthapuram  
(Firm No. 003978S)  
Sd/-  
**CA. R. Sridhar, F. C. A.**  
(M. No. 026343)  
Partner  
UDIN: 23026343BHAIWW8130



## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

### GENERAL INFORMATION ABOUT THE COMPANY

KSE Limited (“the Company”) is a public limited company incorporated in India under the Companies Act, 1956. The Company’s registered office is situated at 27/277, Solvent Road, Irinjalakuda - 680 121, Kerala. The main activities of the Company are Manufacture of ready mixed cattle feed, extraction of oil from oil cakes using solvent extraction method and processing of milk and milk products. The financial statements are approved for issue by the Company’s Board of Directors on May 25, 2023.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 1.2 Current / non-current classification

An asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realized/settled in the Company’s normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, where the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

#### 1.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in note 1.4. Accounting estimates may change from period to period. Actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 1.4 Critical accounting estimates and judgements

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of the asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b. Employee Benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of obligations.

c. Provision for Bad Debts

Provision for bad debts is based on management's estimate of risks involved in recovery of stagnant balances which are reviewed periodically. Similarly, write back of customers' dues are based on management's estimate after review of stagnant balances periodically.

d. Inventory obsolescence

Inventory is valued by the management after making necessary provisions for obsolescence based on management's estimate after review of slow and non-moving items periodically.

e. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions. Where, in spite of best efforts, a reliable basis for fair value cannot be obtained, the carrying amount is substituted as fair value.

f. Taxes

Income tax, GST and other applicable taxes are computed and paid as per the law for the time being in force. Impact of decisions of Supreme Court and jurisdictional appellate bodies to the extent possible are considered therein. Advance rulings sought by third parties are by and large not binding on the company as facts may differ.

#### 1.5 Revenue from Contracts with Customers

Revenue from contracts with customers is recognised on transfer of control of goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration, if any) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is delivered to the customer.

#### 1.6 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Depreciation on Tangible Assets has been provided on written down value method. The useful lives adopted are as prescribed in Schedule II of the Companies Act, 2013, except for leasehold land which is amortised over the period of lease. Capital Spares, if any, are depreciated based on useful life of each replaced part.



The company depreciates property, plant and equipment over their estimated useful lives using written down value method. The estimated useful lives of assets are as follows:

Buildings (other than factory buildings) - RCC Frame Structures	60 years
Buildings (other than RCC Frame Structure) and Factory Buildings	30 years
Continuous process plant	25 years
Other Plant and Machinery	15 years
Office equipment	5 years
Furniture and Fittings	10 years
Computers and data processing units	3-6 years
Vehicles (motor cars)	8 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Repairs and maintenance costs are recognized in the Statement of Profit and Loss. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 1.7 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

## 1.8 Financial instruments

### 1.8.1 Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular purchase and sale of financial assets are accounted for at trade date.

### 1.8.2 Subsequent measurement

#### a. Non-derivative financial instruments

##### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Since most of the financial assets are current, the effect of discounting the future cash receipts to the initial recognition value is not expected to be material and hence not done. Interest income is earned on financial assets maturing within 12 months and hence interest income is recognised over the relevant period of the financial asset under other income in the Statement of Profit and Loss.



(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts are more or less equal to the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. However, there were no derivative financial instruments in the years 2021-22 and 2022-23.

(i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedges

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs.

The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to the Statement of Profit and Loss.

c. Share capital - Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.



### 1.8.3 *Derecognition of financial instruments*

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## 1.9 **Fair value of financial instruments**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts are more or less equal to the fair value due to the short maturity of these instruments.

## 1.10 **Impairment**

### a. *Financial assets*

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

### b. *Non-financial assets*

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generation units to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. In such cases, the carrying amount of the asset is increased to its revised recoverable amount. However, such revised amount will not be exceeded beyond the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## 1.11 **Provisions, Contingent Liability and Contingent Assets**

Disputed liabilities and claims against the company including claims raised by fiscal authorities pending in appeal for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which have remote chance for crystallisation are not provided for in accounts but disclosed by way of notes to the accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability.

Contingent assets, if any, are not recognised in the accounts but are disclosed by way of notes to the accounts.

## 1.12 Foreign currency

### *Functional currency and presentation currency*

The functional currency of the company is the Indian rupee. The financial statements are presented in Indian rupees (rounded off to lakhs).

### *Transactions and translations*

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing on the date of the transaction.

## 1.13 Earnings per equity share

Basic earnings per equity share is computed by dividing the profit for the year attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## 1.14 Income tax and Deferred Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognized in other comprehensive income. Income tax for current and prior periods is recognised at the amount using the tax rates as per the tax laws that have been enacted. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.



## 1.15 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 recognizes 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

A Group Gratuity Trust under the name "KSE Employee's Group Gratuity Fund Trust" has been formed, which manages the funds transferred to the Trust by the Company for meeting its gratuity liability estimated by actuarial valuation and the payment of gratuity on retirement of the employees of the Company. The Trust has taken Policies under 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 of the Company.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

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

### 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.

## 1.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows of the Company are segregated into operating, investing and financing activities.

## 1.17 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 1.18 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

### 1.19 **Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### 1.20 **Inventories**

Inventories as at the close of the year are valued at lower of cost or net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and 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

Cost of finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, ineligible tax credits as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

### 1.21 **Operating Segments**

The Company's reportable segments (business segments) have been identified as (a) Animal Feed Division (b) Oil Cake Processing Division, which includes vegetable oil refining also 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 Operating segments have been identified on the basis of the nature of products/services.

Segment revenue includes sales and other income directly identifiable with the segment including inter-segment revenue. Expenses that are directly identifiable with the segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure. Income which relates to the Company as a whole and not allocable to segments is included in unallocable income. Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

### 1.22 **Government Subsidy/ Grant**

Government Grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

- a) Subsidy related to assets is recognized as deferred income which is recognized in the statement of profit & loss on systematic basis over the useful life of the assets.  
Purchase of assets and receipts of related grants are separately disclosed in statement of cash flow.
- b) Grants related to income are treated as other income in statement of profit and loss subject to due disclosure about the nature of grant.





## 2B. CAPITAL WORK IN PROGRESS

Particulars	₹ in lakhs	
	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Buildings	129.41	95.85
Plant and Equipment (See Note 35.26)	152.76	88.01
Vehicles	—	8.48
<b>Total</b>	<b>282.17</b>	<b>192.34</b>

### Note 2B.1 Ageing Schedules of Capital Work-in-Progress

Particulars	amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<i>As at 31-03-2023</i>					
Projects in Progress	145.40	59.98	35.89	40.90	282.17
Projects temporarily suspended	—	—	—	—	—
<b>Total</b>	<b>145.40</b>	<b>59.98</b>	<b>35.89</b>	<b>40.90</b>	<b>282.17</b>
<i>As at 31-03-2022</i>					
Projects in Progress	115.56	35.89	14.22	26.67	192.34
Projects temporarily suspended	—	—	—	—	—
<b>Total</b>	<b>115.56</b>	<b>35.89</b>	<b>14.22</b>	<b>26.67</b>	<b>192.34</b>

## 2C. OTHER INTANGIBLE ASSETS

Particulars	Gross Carrying Value				Depreciation			Net Carry- ing Value
	Cost as at 01.04.2022	Additions	Sales/ Adjustments	Cost as at 31.03.2023	For the year	Sales/ Adjustments	Up to 31.03.2023	
Softwares	26.83	1.65	—	28.48	5.01	—	20.14	8.34
<b>Total</b>	<b>26.83</b>	<b>1.65</b>	<b>—</b>	<b>28.48</b>	<b>5.01</b>	<b>—</b>	<b>20.14</b>	<b>8.34</b>
Softwares	26.83	—	—	26.83	4.68	—	15.13	11.70
<b>Total</b>	<b>26.83</b>	<b>—</b>	<b>—</b>	<b>26.83</b>	<b>4.68</b>	<b>—</b>	<b>15.13</b>	<b>11.70</b>



### 3. INVESTMENTS - NON CURRENT

Particulars	Face value each ₹	As at 31.03.2023		As at 31.03.2022	
		No. of Units/ Shares	₹ in lakhs	No. of Units/ Shares	₹ in lakhs
a) Investments at amortised cost					
ICICI Prudential Corporate Credit Opportunities Fund	100	316260	324.98	99995	100.00
b) Investments at fair value through other comprehensive income					
Investment in Equity Instruments - (Non-trade) at cost (fully paid up - Unquoted)					
i) Jeevan Telecasting Corporation Ltd.	1,000	200	2.00	200	2.00
ii) Kerala Enviro Infrastructure Ltd.	10	5000	0.50	5000	0.50
iii) Cochin Waste 2 Energy Private Ltd.	10	50000	5.00	50000	5.00
Less : Provision for diminution in value			(5.00)		(5.00)
iv) Coconut Oil & Copra Producers' Co-Op. Society Ltd.	100	1	0.00	1	0.00
c) Investments at fair value through profit or loss			—		—
Total			327.48		102.50

Note 3.1 These are unquoted shares. The fair value is assumed to be the carrying amount in the absence of information thereto.

Note 3.2 Refer Note No. 35.1 for fair value measurement of investments.

### 4. LOANS - NON CURRENT

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Unsecured, considered good		
Other Loans - Loans to Employees	14.82	19.24
Total	14.82	19.24

### 5. OTHER FINANCIAL ASSETS - NON CURRENT

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Bank deposits with maturity of more than 12 months	1.56	1.52
Interest accrued on Loans to employees	3.92	3.51
Security Deposits - unsecured, considered good	178.38	186.13
Total	183.86	191.16

Note 5.1 Bank deposits represent restricted bank balances held as margin money deposits against guarantees.

## 6. DEFERRED TAX ASSETS - NET

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Deferred tax assets / (liabilities) in relation to :		
Property, plant and equipment and intangible assets	74.88	—
Provision for employee benefits	(47.94)	—
Investments	(44.70)	—
Others	24.37	—
Deferred tax assets / (liabilities) - net	6.61	—

Also see Note 35.2 (ii)

## 7. OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Unsecured, considered good		
Capital Advances (See Note 35.27)	657.30	71.03
Unsecured, considered doubtful		
Capital Advances	1.63	—
Less: Provision for doubtful advances	(1.63)	—
Total	657.30	71.03

## 8. INVENTORIES

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Raw materials	8,556.00	12,448.33
Semi-finished goods	60.66	—
Finished goods	2,706.38	2,713.22
Packing Materials	362.31	483.50
Stores and spares	560.98	601.21
Total	12,246.33	16,246.26

Note 8.1 See Note 1.20 for method of valuation of inventories.

Note 8.2 Raw materials include goods in transit amounting to ₹ 75.52 lakhs (previous year - ₹ 404.85 lakhs).

Note 8.3 The closing stock of solvent extracted coconut oil has been valued at net realisable value being lesser than the production cost. The impact thereof on the above inventory will be ₹ 30.45 lakhs (previous year ₹ 44.96 lakhs).

Note 8.4 The closing stock of semi-finished goods represent feed recalled from the market and remaining in stock as on 31st March, 2023 valued at net realisable cost, subsequently reutilised for production of feed based on technical advice and marketed.

Note 8.5 See Note 35.4 reporting abnormal loss occurred during the year ended 31<sup>st</sup> March, 2022.



## 9. INVESTMENTS - CURRENT

Particulars	Face value each ₹	As at 31.03.2023		As at 31.03.2022	
		No. of Units	₹ in lakhs	No. of Units	₹ in lakhs
a) Investments at amortised cost	—	—	—	—	—
b) Investments at fair value through other comprehensive income	—	—	—	—	—
c) Investments at fair value through profit or loss					
In Units of Mutual Funds - (Non-trade)					
At Fair Value (Fully paid - Unquoted)					
i. ICICI Prudential Savings fund - Direct Plan - Growth	100	468566.759	2,167.56	235713.703	1,031.75
ii. UTI Liquid Cash Plan - Direct Growth Plan	1000	28119.347	1,037.44	57728.787	2,013.60
iii. SBI Mutual Fund - SBI Savings Fund - Direct Growth	10	1411115.066	530.17	1411115.066	501.81
iv. SBI Mutual Fund - SBI Liquid Fund - Direct Growth	1000	—	—	30383.539	1,012.71
v. LIC MF Liquid Fund - Direct Plan - Growth	1000	63043.265	2,576.98	—	—
Total			6,312.15		4,559.87

Note 9.1 Refer Note No. 35.1 for fair value measurement of investments.

Note 9.2 Aggregate amount of unquoted investments at cost is ₹ 6,134.55 lakhs (Previous year ₹ 4,526.80 lakhs).

## 10. TRADE RECEIVABLES

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
(i) Considered good		
Secured	31.71	25.78
Unsecured	118.97	97.20
Sub-total	150.68	122.98
(ii) Considered credit impaired - Unsecured	5.75	1.96
Less: Provision for credit impaired	(5.75)	(1.96)
Sub-total	—	—
Total	150.68	122.98

Note 10.1 Ageing schedule of trade receivables:

₹ in lakhs

Particulars	outstanding for following periods from the date of transaction					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<i>As at 31-03-2023</i>						
Undisputed trade receivables - considered good	148.84	1.25	0.49	—	0.10	150.68
Undisputed trade receivables - which have significant increase in credit risk	—	—	—	—	—	—
Undisputed trade receivables - credit impaired	—	—	0.09	0.56	—	0.65
Disputed trade receivables - considered good	—	—	—	—	—	—
Disputed trade receivables - which have significant increase in credit risk	—	—	—	—	—	—
Disputed trade receivables - credit impaired	—	—	—	—	5.10	5.10
<b>Total</b>	<b>148.84</b>	<b>1.25</b>	<b>0.58</b>	<b>0.56</b>	<b>5.20</b>	<b>156.43</b>
<i>As at 31-03-2022</i>						
Undisputed trade receivables - considered good	118.90	0.15	0.56	3.37	—	122.98
Undisputed trade receivables - which have significant increase in credit risk	—	—	—	—	—	—
Undisputed trade receivables - credit impaired	—	—	—	—	1.96	1.96
Disputed trade receivables - considered good	—	—	—	—	—	—
Disputed trade receivables - which have significant increase in credit risk	—	—	—	—	—	—
Disputed trade receivables - credit impaired	—	—	—	—	—	—
<b>Total</b>	<b>118.90</b>	<b>0.15</b>	<b>0.56</b>	<b>3.37</b>	<b>1.96</b>	<b>124.94</b>

## 11. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Balances with Banks	880.04	1,436.64
Cheques/drafts on hand	—	16.17
Cash on hand	12.45	13.96
Stamps on hand	0.03	0.03
<b>Total</b>	<b>892.52</b>	<b>1466.80</b>



## 12. OTHER BANK BALANCES

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Balances with Banks		
in current accounts	86.38	107.39
in deposit accounts	300.66	96.25
Total	387.04	203.64

Note 12.1 Balances with banks include restricted bank balances of ₹ 187.04 lakhs (Previous year ₹ 203.64 lakhs). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees ₹ 6.34 lakhs (Previous year ₹ 6.25 lakhs) and earmarked bank balances for (1) unpaid dividends ₹ 86.38 lakhs (Previous year ₹ 107.39 lakhs) and (2) deposit repayment reserve account ₹ 94.32 lakhs (Previous year ₹ 90.00 lakhs).

## 13. LOANS - CURRENT

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Unsecured, considered good		
Other Loans:		
- Advances to Employees	176.42	179.98
- Loans to Employees	6.50	7.20
Total	182.92	187.18

## 14. OTHER FINANCIAL ASSETS - CURRENT

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Unsecured, considered good		
Interest accrued on bank deposits	4.08	4.16
Interest accrued on Loans to employees	0.72	0.43
Rent Deposit	0.14	—
Total	4.94	4.59

## 15. TAX ASSETS - CURRENT

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Income Tax Advance (net)	406.06	113.95
Total	406.06	113.95



## 16. OTHER CURRENT ASSETS

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Advances recoverable in cash or in kind or for value to be received		
(a) Unsecured - Considered Good		
- Prepaid Expenses	170.62	212.07
- Balance with government authorities	158.42	270.36
- Other Advances	435.60	274.89
(b) Unsecured - Considered Doubtful	24.76	32.22
Less : Provision for doubtful advances	(24.76)	(32.22)
<b>Total</b>	<b>764.64</b>	<b>757.32</b>

## 17. SHARE CAPITAL

Particulars	Par value each ₹	Number of shares	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Authorised:				
Equity shares	10	99,40,000	994.00	994.00
13.50 % Redeemable cumulative preference shares	100	6,000	6.00	6.00
		99,46,000	1,000.00	1,000.00
Issued:				
Equity shares	10	32,02,820	320.28	320.28
Subscribed and Paid up:				
Equity shares	10	32,00,000	320.00	320.00
Note 17.1	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	320.00
	Changes in equity share capital during the year	—	—	—
	Outstanding at the end of the year	32,00,000	320.00	320.00

### Note 17.2 Terms/rights, Preferences and Restrictions attached to equity shares:

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.

The Board of directors has recommended a final dividend of ₹ 20 per equity share of ₹ 10 each, for the year 2022-23, out of retained earnings, subject to approval of shareholders at the ensuing annual general meeting.

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, 2013. The distribution will be in proportion to the number of equity shares held by the shareholders.



Note 17.3 Details of shareholders holding more than 5 % of the equity shares:

	As at 31.03.2023		As at 31.03.2022	
	Number of shares	% of holding	Number of shares	% of holding
PJD Properties and Investments P. Ltd.	6,10,300	19.07%	6,02,000	18.81%

Note 17.4 There was no fresh issue or buying back of shares in the preceding five years.

Note 17.5 There was neither bonus issue nor any other issue of shares in the preceding five years.

Note 17.6 See Note 35.25 for Shareholding of Promoters.

## 18. OTHER EQUITY

Particulars	As at 31.03.2023 ₹ in lakhs		As at 31.03.2022 ₹ in lakhs	
	Capital Reserve		78.18	
Capital Redemption Reserve		3.00		3.00
Securities Premium Reserve		162.24		162.24
Gratuity Reserve		154.97		154.97
General Reserve				
Balance at the beginning of the year	15,000.00		15,000.00	
Add : Transfer from Retained Earnings	—		—	
		15,000.00		15,000.00
Retained Earnings				
Balance at the beginning of the year	6,559.61		8,590.23	
Add : Profit for the year	(238.14)		657.13	
Less : Remeasurement of defined benefit obligation, net of tax	5.30		32.25	
Less : Transfer to General Reserve	—		—	
Less : Dividend - Final	(640.00)		(2,720.00)	
		5,686.77	(2,720.00)	6,559.61
Total		21,085.16		21,958.00

Note 18.1 The Board of Directors of the company has proposed a final dividend of ₹ 20 per equity share, which is subject to approval by the shareholders at the ensuing Annual General Meeting. The total proposed final dividend for the year ended 31<sup>st</sup> March, 2023 amounts to ₹ 640 lakhs.

## 19. BORROWINGS - NON CURRENT

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Public Deposits - Unsecured	1,341.02	1,225.94
Total	1,341.02	1,225.94

Note 19.1 See Note 22 for current maturities of long-term debt.

Note 19.2 Public Deposits were accepted under the Companies (Acceptance of Deposits) Rules, 2014. Rate of interest and terms of repayment of Public Deposits are as under:

	Rate of Interest	Balance as on 31.03.2023 ₹ in lakhs	Balance as on 31.03.2022 ₹ in lakhs
(a) One year	8.00 % p.a.	18.40	4.15
(b) Two years	9.00 % p.a.	14.68	4.15
(c) Three years	10.00 % p.a.	1,860.82	1,666.35
Total		1,893.90	1,674.65

Note 19.3 The year-end balances of Public deposits accepted are included under the following Notes:

	Note No.	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
(a) Borrowings Non-current	19	1,341.02	1,225.94
(b) Borrowings - Current	22	552.88	448.71
Total		1,893.90	1,674.65

Note 19.4 Public Deposits include deposits accepted from Directors ₹ 15.32 lakhs (Previous year ₹ 52.87 lakhs) on the same terms and conditions as applicable to other depositors.

## 20. PROVISIONS - NON CURRENT

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Provision for Employee Benefits - Gratuity payable to Managing Director	9.09	—
Total	9.09	—

## 21. DEFERRED TAX LIABILITIES - NET

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Deferred tax assets / (liabilities) in relation to :		
Property, plant and equipment and intangible assets	—	(20.01)
Provision for employee benefits	—	53.54
Investments	—	8.32
Others	—	(25.29)
Deferred tax assets / (liabilities) - net	—	16.56



## 22. BORROWINGS - CURRENT

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Loans repayable on demand from Banks - Secured		
- Cash credit	1.14	234.36
Public Deposits - Unsecured		
- Current Maturities of long-term deposits	534.48	444.56
- Short-term Deposits	18.40	4.15
Corporate Credit Card - Unsecured	3.44	—
<b>Total</b>	<b>557.46</b>	<b>683.07</b>

Note 22.1 The cash credit facility of ₹ 6000.00 lakhs is secured by (1) First Charge by way of hypothecation of all current assets of the Company and Plant and Machinery of Irinjalakuda and Konikkara Units; and (2) Equitable mortgage of immovable properties of Irinjalakuda and Konikkara Units by deposit of title deeds.

Note 22.2 Public Deposits include deposits accepted from Directors ₹ 42.87 lakh (Previous year ₹ 4.00 lakh) on the same terms and conditions as applicable to other depositors.

Note 22.3 See Note 19.2 for rate of interest and terms of repayment of public deposits.

## 23. TRADE PAYABLES

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Total outstanding dues of micro enterprises and small enterprises	177.54	2.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,305.44	1,856.76
<b>Total</b>	<b>1,482.98</b>	<b>1,859.03</b>

Note 23.1 Ageing schedule of trade payables:

₹ in lakhs

Particulars	outstanding for the following periods from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<i>As at 31-03-2023</i>					
MSME	177.54	—	—	—	177.54
Others	1,296.27	9.15	—	0.02	1,305.44
Disputed dues - MSME	—	—	—	—	—
Disputed dues - Others	—	—	—	—	—
<b>Total</b>	<b>1,473.81</b>	<b>9.15</b>	<b>—</b>	<b>0.02</b>	<b>1,482.98</b>
<i>As at 31-03-2022</i>					
MSME	2.27	—	—	—	2.27
Others	1,856.74	—	—	0.02	1,856.76
Disputed dues - MSME	—	—	—	—	—
Disputed dues - Others	—	—	—	—	—
<b>Total</b>	<b>1,859.01</b>	<b>—</b>	<b>—</b>	<b>0.02</b>	<b>1,859.03</b>

Note 23.2 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 are as under:

	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
(i) Principal amount due and remaining unpaid to any supplier as at the end of each accounting year	177.54	2.27
(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 Micro, Small and Medium Enterprises Development Act, 2006	—	—
(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	—	—

#### 24. OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Interest accrued but not due on public deposits	177.77	148.71
Unpaid dividend	86.38	107.39
Interest on Cash Credit	0.33	—
Unpaid matured deposits and interest accrued thereon	0.64	0.90
Employee benefits expense payable	675.89	635.42
Creditors for expenses	322.16	332.67
<b>Total</b>	<b>1,263.17</b>	<b>1,225.09</b>

Note 24.1 Interest accrued but not due on public deposits includes ₹ 11.95 lakh (Previous year ₹ 7.06 lakh) due to Directors.

Note 24.2 Unpaid matured deposits and interest accrued thereon represent interest paid to depositors remaining unencashed.

#### 25. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2023 ₹ in lakhs	As at 31.03.2022 ₹ in lakhs
Security deposits	148.42	133.72
Advance from customers	300.46	381.75
Statutory and other dues	284.68	261.26
<b>Total</b>	<b>733.56</b>	<b>776.73</b>



## 26. OTHER INCOME

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
Interest income		
- from banks (TDS ₹ 0.51 lakh - Previous year ₹ 0.49 lakh)	5.28	5.03
- from others (TDS ₹ 0.38 lakh - Previous year ₹ 0.55 lakh)	36.75	30.01
Income from Mutual Fund (TDS ₹ 0.70 lakh - Previous year - Nil)	6.93	—
Gain on sale of investments classified at fair value through profit and loss	132.34	277.97
Net gain arising on investments measured at fair value through profit and loss	175.76	33.07
Income from wind energy	53.19	59.84
Insurance claim received	—	2.67
Gain on exchange rate fluctuation (net)	—	0.42
Net gain on sale of property, plant and equipment	4.25	6.85
Advances received from customers no more payable written back	—	0.19
Provision for doubtful debts written back	31.13	—
Creditors no more payable written back	0.74	0.92
Miscellaneous income	105.45	182.26
<b>Total</b>	<b>551.82</b>	<b>599.23</b>

## 27. COST OF MATERIALS CONSUMED

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
Opening Stock	12,043.48	14,620.37
Purchases	1,31,125.87	1,36,778.55
	1,43,169.35	1,51,398.92
Less : Closing stock	8,480.48	12,043.48
<b>Cost of Material consumed</b>	<b>1,34,688.87</b>	<b>1,39,355.44</b>

Note 27.1 See Note 35.4 reporting abnormal loss occurred during the year ended 31<sup>st</sup> March, 2022.

## 28. PURCHASE OF STOCK-IN-TRADE

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
Finished goods - Ready-mixed animal feed	10,505.80	10,380.00
Raw Materials	56.79	117.35
Packing Materials	11.97	31.40
<b>Total</b>	<b>10,574.56</b>	<b>10,528.75</b>



## 29. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
Opening Stock	2,713.22	1,446.06
Closing Stock	2,767.04	2,713.22
Changes in inventories of finished goods and semi-finished goods	(53.82)	(1,267.16)

## 30. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
Remuneration and benefits to Employees and Directors		
Salary, wages, gratuity and bonus	4,769.00	4,647.76
Contribution to Provident Fund	373.37	372.63
Contribution to Employees' State Insurance Corporation	13.67	17.10
Contribution to KSE Ltd. Employees' Group Gratuity Fund Trust	164.41	103.70
Staff welfare expenses (See Note 35.6)	495.84	393.16
Total	5,816.29	5,534.35

## 31. FINANCE COSTS

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
Interest Expenses		
- on Cash Credit	13.52	19.72
- on Public Deposits	193.95	169.91
- on Others	—	—
Other Borrowing Costs - Bank charges	0.44	0.04
Total	207.91	189.67

Note 31.1: Interest Expenses on Public Deposits include ₹ 6.69 lakhs (Previous year ₹ 7.03 lakh) being interest paid on deposits accepted from Directors.

## 32. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
Tangible Assets	430.51	297.65
Intangible Assets	5.01	4.68
Total	435.52	302.33



### 33. OTHER EXPENSES

Particulars	Year ended 31.03.2023 ₹ in lakhs	Year ended 31.03.2022 ₹ in lakhs
Processing charges	2,258.72	3,460.49
Packing materials consumed	2,525.60	2,990.19
Power and fuel	1,976.41	1,844.47
Freight	661.56	735.98
Stores and spares consumed (See Note 35.7)	682.71	774.82
Rent (See Note 35.14)	99.94	89.79
Rates and taxes	157.12	168.60
Repairs		
Plant and machinery	68.21	79.75
Building	23.13	85.94
Vehicles	12.41	49.14
Others	328.85	398.00
Travelling and conveyance	99.13	77.79
Advertisement and Sales promotion (See Note 35.6)	564.07	435.61
Postage and telephone	25.47	21.25
Printing and stationery	15.62	14.17
Insurance	141.72	123.27
Sitting fees to Directors	52.90	33.50
Payments to Auditors and expenses		
For Audit	9.00	8.00
For Tax audit	1.00	1.00
For Limited Review	4.00	4.00
For Certification works	—	0.10
Travelling and out-of-pocket expenses	1.80	0.60
GST on the above	2.50	2.18
Professional charges	106.75	83.96
Commission and Brokerage	1.06	0.48
Bank Charges (See Note 35.6)	5.00	9.64
Corporate Social Responsibility Expenditure (See Note 35.11)	118.29	123.64
Outdated packing materials written off	25.85	—
Consultancy fees on suspended projects (See Note 35.28)	55.82	—
Irrecoverable debts / advances written off	—	4.42
Provision for doubtful debts / advances	30.17	0.37
Advances written back in earlier year paid during current year	—	0.32
General charges (See Note 35.10)	233.14	127.21
Total	10,287.95	11,748.68

### 34. EARNINGS PER SHARE

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Profit / (Loss) for the year as per the Statement of Profit and Loss (Before Other Comprehensive Income) (₹ in lakhs)	(238.14)	657.13
Number of Equity Shares	32,00,000	32,00,000
Basic and diluted earnings per share (₹)	(7.44)	20.54

## 35. ADDITIONAL INFORMATION

### 35.1 Fair Value Measurement

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

Fair value hierarchy of financial instruments measured at fair value on a recurring basis is as follows:

Particulars	Fair value Hierarchy	Fair Value (₹ in lakhs)	
		As at 31.03.2023	As at 31.03.2022
Financial Assets measured at Fair value through Other Comprehensive Income Investments in Equity shares - Unquoted	3	2.50	2.50
Financial Assets measured at Fair value through Profit or Loss Investment in Mutual Funds - Unquoted	2	6,312.15	4,559.87

Category wise classification of financial instruments is as follows:

Particulars	Refer Note	Fair Value (₹ in lakhs)	
		As at 31.03.2023	As at 31.03.2022
<b>Financial Assets measured at Fair value through Other Comprehensive Income</b> Investments in Equity shares - Unquoted (Non current)	3	2.50	2.50
<b>Financial Assets measured at Fair value through Profit or Loss</b> Investment in Mutual Funds - Unquoted (Current)	9	6,312.15	4,559.87
<b>Financial Assets measured at amortised cost</b>			
Non current:			
i. Investments	3	324.98	100.00
ii. Loans	4	14.82	19.24
iii. Other Financial Assets	5	183.86	191.16
Current:			
i. Trade receivables	10	150.68	122.98
ii. Bank balances other than cash and cash equivalents	12	387.04	203.64
iii. Loans	13	182.92	187.18
iv. Other Financial Assets	14	4.94	4.59
v. Cash and cash equivalents	11	892.52	1,466.80
		<b>8,456.41</b>	<b>6,857.96</b>
<b>Financial Liabilities measured at amortised cost</b>			
Non Current:			
i. Borrowings	19	1,341.02	1,225.94
Current:			
i. Borrowings	22	557.46	683.07
ii. Trade payables	23	1,482.98	1,859.03
iii. Other financial liabilities	24	1,263.17	1,225.09
		<b>4,644.63</b>	<b>4,993.13</b>



## Financial Risk Management - Objectives and Policies

The Company has a well-managed risk management framework, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

### 1) Liquidity Risk

Liquidity risk is the risk that the Company will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The company has sound financial strength represented by its aggregate current assets including current investments as against aggregate current liabilities and its strong equity base. In such circumstances, liquidity risk is insignificant.

### 2) Market Risk

As the Company's overall debt is less compared to its equity, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation. The Company's investments are predominantly held in fixed deposits and debt mutual funds. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility. The Company also invests in mutual fund under schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of most of the mutual fund schemes in which the Company has invested, such price risk is not significant.

### 3) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks and other receivables.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited because the counterparties are banks and recognized financial institutions with high credit ratings.

For trade receivables, as a practical expedient, the company is accepting advance from customers against sale of goods. Hence credit risk is negligible.

### 4) Foreign Currency Risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risks.

The Company has established risk management policies to hedge the volatility arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward contracts. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are highly rated banks, the risk of their non-performance is considered to be insignificant.

## Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

As at 31<sup>st</sup> March, 2023, the Company has only one class of equity shares. The company is not subject to any externally imposed capital requirements.

## 35.2 Taxation

- (i) Reconciliation of income tax expense for the year to accounting profit - based on provisional Income tax workings, subject to audit under the relevant tax statutes.

₹ in lakhs

	Year Ended 31.03.2023	Year Ended 31.03.2022
(a) Profit before Tax as per Statement of Profit and Loss	(298.63)	927.88
Add : Other Comprehensive Income that will not be reclassified to Statement of Profit and Loss	7.08	43.09
Accounting Profit	(291.55)	970.97
(b) Tax on above at the applicable tax rate (refer (i) below)	(73.38)	244.37
(c) Tax effect of items that are not deductible in determining taxable profit	214.64	195.10
(d) Tax effect of items that are deductible in determining taxable profit	(169.28)	(114.50)
(e) Unused Tax Losses	28.02	—
(f) Add : Interest payable under Income Tax Act	—	324.97
(g) Tax and interest	—	—
(h) Add : Excess Provision made in accounts	—	324.97
(i) Current Tax as per Statement of Profit and Loss	—	5.03
(j) Applicable rate of tax as per Finance Act	—	330.00
(k) Average effective tax rate (g / a)	25.168%	—
	—	33.469%

- (ii) Deferred Tax Income - based on provisional Income tax workings, subject to audit under the relevant tax statutes.

₹ in lakhs

	As at 31.03.2022	Credit (Charge) to Statement of Profit or loss (2022-23)	Credit (Charge) to the Statement of Other Comprehensive Income (2022-23)	As at 31.03.2023 (a)+(b)+ (c)
	(a)	(b)	(c)	(d)
(a) Property, Plant and Equipment	20.01	54.87		74.88
(b) Employee Benefits	(53.54)	7.38	(1.78)	(47.94)
(c) Investments	(8.32)	(36.38)		(44.70)
(d) Other Current Liabilities	25.29	(0.92)		24.37
	(16.56)	24.95	(1.78)	6.61



### 35.3 Contingent liabilities and commitments (to the extent not provided for in the accounts)

	2022-23 ₹ in lakhs As on 31.03.2023		2021-22 ₹ in lakhs As on 31.03.2022	
	I Contingent Liabilities			
a) Claims against the Company not acknowledged as debts				
(i) Goods and Service Tax (GST)	—		3.55	
(ii) Kerala General Sales Tax	25.40		25.40	
(iii) Central Sales Tax	—		1.63	
(iv) Freight/demurrage demanded by Indian Railways	57.11		57.11	
(v) ESI	2.90		3.78	
(vi) Demand of Fine by BSE Limited	2.48		2.48	
b) Bank Guarantees in favour of KSEB	49.70		49.70	
c) Bank Guarantees for claim of GST (for Item “a (i)” above)	—	137.59	3.55	147.20
II Commitments				
Estimated amount of contracts remaining to be executed on capital account not provided for		966.30		275.50
TOTAL		1,103.89		422.70

Details in respect of claims against the Company not acknowledged as debts disclosed above are as follows:

- (i) While transporting refined coconut oil sold for ₹ 35.47 lakhs, the vehicle was intercepted by The Kerala State GST Department, Mattanchery and issued a notice for deficiency in the transportation document (e-way bill) thereof, which is technical in nature. For release of the said vehicle, a Bank Guarantee was provided as security for an amount of ₹ 3.55 lakhs. During the year 2022-23, the final order has been issued in favour of the Company and bank guarantee has been released by the Department.
- (ii) Assistant Commissioner (Assessment), Department of Commercial taxes, Thrissur had issued order demanding ₹ 25.40 lakhs (including interest ₹ 12.64 lakhs) for the financial year 2000-01 against sales tax exemption claimed on sale of refined vegetable oil. On appeal, The Deputy Commissioner (Appeals), Ernakulam had issued an order directing the assessing authority to reconsider the matter. The final order from the Assistant Commissioner (Assessment) is not yet received.
- (iii) Deputy Commissioner of sales tax, SGST, Special Circle, Thrissur issued an order under CST relating to Assessment year 2015-16 demanding ₹ 1.63 lakhs. The matter has been settled under amnesty scheme in year 2022-23.



- (iv) Southern Railway had raised two demands aggregating to ₹ 57.11 lakhs on grounds of undercharge due to incorrect classification of deoiled rice bran. The claim has been challenged by the Company before the Hon. High Court of Kerala and the writ petition is still pending before the Court.
- (v) (a) Some of the employees of the company had challenged the enhancement of wage limit for coverage of ESI, before the Hon. High Court of Kerala and the Court had granted stay. The cases were disposed off by the Court in favour of ESI Corporation and Company had remitted contributions of employer and employees.
- Subsequently, ESI Corporation demanded interest amounting to ₹ 1.57 lakhs for delay in payment of contributions relating to the period when the above stay was in operation and ₹ 0.19 lakh towards employees' contribution in respect of retired/resigned employees during the said period. Company had preferred appeal before the ESI Court, Palakkad which was decided in favour of the Company. Aggrieved by the order, ESI Corporation had filed appeal before the Hon. High Court of Kerala challenging the orders of ESI Court, Palakkad, and the said appeal is still pending.
- ESI Corporation had also demanded damages of ₹ 1.14 lakhs for the delay in remittance of contribution mentioned above and the Company had filed an appeal before the ESI Court, Palakkad which is still pending.
- (b) ESI Corporation has issued order demanding ₹ 1.63 lakhs as interest and ₹ 0.60 lakh as damages for delay in remittance of contribution on omitted wages for the period from 01.04.1996 to 31.03.2002. ESI Court, Thrissur finally heard the case and set aside the demand and waived the damage demanded and remanded the matter back to the Corporation for reconsideration. As per the direction of ESI Court, ESI Corporation issued order dated 10.10.2022 with a revised demand of ₹ 1.54 lakhs and the same was remitted. In the meantime, ESI Corporation has filed an appeal before the High Court of Kerala against the order of the ESI Court, which is still pending and hence no contingent liability is shown in this regard.
- (vi) The BSE Limited, wherein the shares of the Company are listed, had issued a demand vide their letter dated 03.02.2020, for a fine of ₹ 2.48 lakhs for non-compliance with Regulations 17 (1) and 19 (1) /19 (2) of SEBI (LODR) Regulations, 2015 dealing with requirements as the composition of the Board including failure to appoint woman director and for non-compliance with the constitution of the Nomination and Remuneration Committee. It has been represented to the BSE Limited in writing that the Company is fully compliant with these regulations and the Company has requested to recall the demand of fine. BSE Limited has not communicated on the said representations till date.

In all the above cases company is legally advised that there is a good chance for full relief and hence no provision is considered necessary at this stage.

- 35.4 Exceptional income of ₹ 118.47 Lakhs for the year ended 31<sup>st</sup> March, 2023 represents insurance claim received in part against the exceptional loss of ₹ 285.11 lakhs for the year ended 31<sup>st</sup> March, 2022 on account of loss due to damage of raw material stored in godown by spontaneous combustion. The management is confident of recovering the loss from the insurance company in full.
- 35.5 Balance with Government Authorities under Note 16 includes Goods and Service Tax (GST) which in the opinion of the management is either refundable or eligible for set off against future GST liabilities.
- 35.6 Certain items of income and expenses have been netted off while reporting and expenses are stated net of recoveries; sale of freezer and contribution received from dealers towards calendar and diaries are netted against Advertisement and Sales promotion, Lay time incentive received in foreign currency is netted against respective purchase account. Cost of tea supplied collected from employees is netted against Staff welfare expenses, bank charges recovered is netted against bank charges paid.
- 35.7 Stores and spares consumed include cost of materials used for repairs and maintenance.
- 35.8 In the opinion of the Board, current assets and long-term loans & advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.
- 35.9 The company has a system of periodically obtaining and reconciling confirmations of balances with banks, suppliers and customers.
- 35.10 Other expenses include ₹ 2.12 lakhs provided for the demand of fine by BSE Ltd. for quarter ended 31-03-2023 for not exactly meeting the proportion of independent directors in the constitution of audit committee as per Regulation 18(1) of SEBI (LODR) Regulations, 2015.



## 35.11 Corporate Social Responsibility Expenses

	2022-23 ₹ in lakhs	2021-22 ₹ in lakhs
a) Gross amount required to be spent by the Company during the year	115.89	118.91
b) Amount spent during the year on:		
i Construction/Acquisition of any assets	—	—
ii Purposes other than (i) above (See Note 32)	118.29	123.64
	118.29	123.64
c) Shortfall at the end of the year	—	—
d) Total of the previous years' shortfall	—	—
e) Reason for shortfall	N.A.	N.A.
f) Nature of CSR activities	Health, Education, animal welfare, disaster relief	
g) Related party transactions included in (B) above	—	—
h) Amount of provision and movement thereof during the year with respect to the above expense	—	—

## 35.12 Movement in Provisions as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets (Refer Note 20)

	Provision for Employee Benefits - Gratuity payable (₹ in lakhs)	
	2022-23	2021-22
Balance as at the beginning of the year	—	10.39
Amount Provided during the year	9.09	—
Amount utilised during the year	—	10.39
Balance as at the end of the year	9.09	—
Classified as Non-current	9.09	—
Classified as Current	—	—
TOTAL	9.09	—

### 35.13 Disclosures required under Ind AS 19 “Employee Benefits”

#### 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:

	2022-23 ₹ in lakhs	2021-22 ₹ in lakhs
Employer’s Contribution to Provident Fund	373.37	372.63
Employer’s Contribution to Employee’s State Insurance Corporation	13.67	17.10

#### II Defined Benefit Plan / Other Long Term Benefits -

		Gratuity (Funded)		Compensated absences (Funded)	
		2022-23	2021-22	2022-23	2021-22
(i)	<b>Actuarial Assumptions</b>				
	Discount Rate (per annum)	7.160%	6.875%	7.155%	6.80%
	Expected Rate of return on plan assets (per annum)	7.160%	6.875%	7.155%	6.80%
	Compensation escalation Rate (per annum)	8.00%	8.00%	8.00%	8.00%
	Mortality Rate	India Assured Lives Mortality Modified Ultimate Table (IALM) 2012-2014			
		2022-23	2021-22	2022-23	2021-22
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
(ii)	<b>Reconciliation of present value of obligations</b>				
	Present value of obligation at the beginning of the year	2,283.88	2,221.64	225.02	219.51
	Service cost	174.72	111.76	138.70	127.05
	Interest cost	148.94	135.57	12.73	11.75
	Actuarial (gain) / loss	(5.86)	(18.65)	(70.91)	(64.93)
	Benefits paid / Settlement	(234.91)	(166.44)	(75.77)	(68.36)
	Present value of obligations at the end of the year	2,366.77	2,283.88	229.77	225.02
(iii)	<b>Reconciliation of fair value of plan assets</b>				
	Fair value of plan assets at the beginning of the year	2,380.67	2,318.43	341.83	308.28
	Expected return on plan assets	159.25	143.63	23.84	19.88
	Contributions by employer	89.78	57.65	17.56	10.64
	Benefits paid / Settlement	(218.36)	(163.48)	—	—
	Remeasurements - Return on Plan assets over expected return	1.22	24.44	0.31	3.03
	Fair value of plan assets at the end of the year	2,412.56	2,380.67	383.54	341.83



		Gratuity (Funded)		Compensated absences (Funded)	
		2022-23 ₹ in lakhs	2021-22 ₹ in lakhs	2022-23 ₹ in lakhs	2021-22 ₹ in lakhs
(iv)	<b>Description of plan assets - Insurer managed assets</b>	2,412.56	2,380.67	383.54	341.83
(v)	<b>Major category of plan assets as % of total plan assets</b>				
	Equities	—	—	—	—
	Bonds	—	—	—	—
	Gilts	—	—	—	—
	Own Investments / Properties	—	—	—	—
	Others - Insurer Managed Funds (LIC of India)*	100%	100%	100%	100%
	* In the absence of detailed information regarding plan assets which is funded by Insurance Company, the composition of each major category of plan assets, the percentage on amount of each category to the fair value of plan assets has not been disclosed.				
		2022-23 ₹ in lakhs	2021-22 ₹ in lakhs	2022-23 ₹ in lakhs	2021-22 ₹ in lakhs
(vi)	<b>Net (Asset) / Liability recognised in the balance sheet as at the end of the year</b>				
	Present value of obligation at the end of the year	2,366.77	2,283.88	229.77	225.02
	Fair value of plan assets at the end of the year	2,412.56	2,380.67	383.54	341.83
	Net present value of funded obligation recognised as (asset) / liability in the balance sheet	(45.79)	(96.79)	(153.77)	(116.81)
(vii)	<b>Expenses recognised in the statement of profit and loss</b>				
	Service cost	174.72	111.76	138.70	127.05
	Interest cost	148.94	135.57	12.73	11.75
	Return on plan assets	(159.25)	(143.63)	(23.84)	(22.91)
	Actuarial (gain) / loss recognised in the period	—	—	(71.22)	(64.93)
	Total expenses recognised in the statement of profit and loss for the year	164.41	103.70	56.37	50.96
(viii)	<b>Net Actuarial losses / (gains) recognised in Other Comprehensive Income</b>				
	Actual return of plan assets	160.47	168.07	24.15	22.91
(ix)	<b>Non-current and current value of obligation</b>				
	Non-current	(45.79)	(96.79)	(153.77)	(116.81)
	Current	—	—	—	—
	Total value of obligation	(45.79)	(96.79)	(153.77)	(116.81)

	31.03.2023 ₹ in lakhs	31.03.2022 ₹ in lakhs	31.03.2021 ₹ in lakhs	31.03.2020 ₹ in lakhs	31.03.2019 ₹ in lakhs
(x) <b>Amount recognised in current year and previous years</b>					
<b>Gratuity (Funded)</b>					
Present value of defined benefit obligations	2,366.77	2,283.88	2,221.64	2,067.38	1,861.63
Fair value of plan assets	2,412.56	2,380.67	2,318.43	2,182.11	2,008.16
Funded status - (asset) / liability	(45.79)	(96.79)	(96.79)	(114.73)	(146.53)
Actuarial (gain) / loss on plan obligations	(5.86)	(18.65)	90.63	113.55	46.03
Actuarial gain / (loss) on plan assets	1.22	24.44	—	—	—
<b>Compensated absences (Funded)</b>					
Present value of defined benefit obligations	229.77	225.02	219.51	202.13	172.88
Fair value of plan assets	383.54	341.83	308.28	266.25	237.34
Funded status - (asset) / liability	(153.77)	(116.81)	(88.77)	(64.12)	(64.46)
Actuarial (gain) / loss on plan obligations	(70.91)	(64.93)	(65.61)	(124.54)	(137.66)
Actuarial gain / (loss) on plan assets	0.31	3.03	1.69	0.91	0.67

Best estimate of contribution over next year (a) Gratuity ₹ 73.62 lakhs (b) Compensated absences ₹ 27.67 lakhs.

(xi) A quantitative sensitivity analysis for significant assumption (impact on defined benefit obligation) is as below:

A. Gratuity (Funded) -

	Year ended 31.03.2023		Year ended 31.03.2022	
	Rate plus 1%	Rate minus 1%	Rate plus 1%	Rate minus 1%
Discount rate	2,231.08	2,518.59	2,151.75	2,431.86
Salary increase rate	2,515.87	2,230.89	2,422.09	2,156.84
Change on attrition rate	25% increase	25% decrease	25% increase	25% decrease
Employee turnover	2,359.42	2,374.90	2,275.85	2,292.78

B. Compensated absences (Funded)

	Year ended 31.03.2023		Year ended 31.03.2022	
	Rate plus 1%	Rate minus 1%	Rate plus 1%	Rate minus 1%
Discount rate	213.46	248.67	209.55	242.91
Salary increase rate	248.33	213.43	242.52	209.58
Change on attrition rate	25% increase	25% decrease	25% increase	25% decrease
Employee turnover	228.67	231.04	223.61	226.66

In the above analysis the change in the factor is made with other factors remaining intact.

Undiscounted Cash flow over the years is the aggregate cash flow without discounting but keeping other factors intact and is the total payout for the current complement of staff.



## (xii) Maturity profile - future expected payments

₹ in lakhs

Time period (in years)	Year ended 31.03.2023		Year ended 31.03.2022	
	Gratuity (Funded)	Compensated absences (Funded)	Gratuity (Funded)	Compensated absences (Funded)
Less than or equal to 1	191.01	19.94	255.96	26.56
2-5	1,203.28	98.31	1,030.60	90.22
6-10	1,250.43	118.09	1,212.37	109.78
11-15	569.37	53.85	580.02	55.85
Above 15	832.97	187.26	742.67	153.93

## (xiii) Note on key actuarial risks

- (a) *Actuarial Risk* - the risks that benefits costs more than expected. All assumptions used to project the liability cash-flows are source of risk, if actual experience turns out to be worse than expected experience - there could be a risk of being unable to meet the liabilities as and when they fall due. E.g. If assumed salary growth rates turns out to be lesser than reality - this could cause a risk that the provisions are inadequate in comparison to the actual benefits required to be paid.
- (b) *Investment Risk* - There is a minimum investment return guaranteed to the Sponsor (called the minimum floor rate) which is a non-zero positive percentage. Hence there is no market risk - risk due to reductions in the market value of the underlying investments backing the insurance policy of the Sponsor. Also there is a Guaranteed Surrender Value to the extent of 90% of contributions made net of withdrawals and charges.
- (c) *Liquidity Risk* - The investments are made in an insurance policy which is also very liquid - withdrawals can happen at any time. There is no Market Value adjustment imposed for withdrawals done by the Sponsor at an untoward time except when the amount withdrawn exceeds 25% of the opening balance at the beginning of the financial year. This can be easily managed by making multiple withdrawals to ensure that the amount withdrawn per transaction does not breach the limit above. Also note that there are no surrender charges after three years. During the first three years also the surrender charges are minimal.
- (d) *Legislative Risk* - There could be changes to Regulation/legislation governing this Plan that could affect the Company adversely (e.g. introduction of a minimum benefit). The changes in regulation could potentially increase the plan liabilities.

**Notes:**

- The above disclosures are based on information certified by the independent actuary and relied upon by the Company.
- The plan assets of the Company are managed by the Life Insurance Corporation of India in terms of insurance policies taken to fund the obligations of the Company with respect to its Gratuity and Compensated Absences Plan. Information on categories of plan assets is not available with the Company.

## 35.14 Lease rental payments

	2022-23 ₹ in lakhs	2021-22 ₹ in lakhs
(a) Recognised in statement of profit and loss	99.94	89.79
(b) Future minimum lease rentals payable as per lease agreement at the year end		
(i) Not later than one year	64.92	62.64
Later than one year and not later than five years	72.64	92.10
Total	137.56	154.74
(c) The Company has hired buildings under rental arrangements which are treated as operating lease.		

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

₹ in lakhs

	2022-23	2021-22
(a) Segment Revenue		
Animal Feed	1,41,312.65	1,46,687.10
Oil cake processing	35,966.49	38,713.11
Dairy	4,845.97	3,477.93
Total	1,82,125.11	1,88,878.14
Less Inter-segment Revenue - Oil cake processing	21,136.75	21,872.32
Total Revenue	<b>1,60,988.36</b>	<b>1,67,005.82</b>
(b) Segment Results		
Animal Feed	791.06	1,288.03
Oil cake processing	(513.73)	224.71
Dairy	(641.64)	(373.40)
Total	<b>(364.31)</b>	<b>1,139.34</b>
Add Unallocated income (net of unallocated expenditure)	113.09	228.28
Less Finance Costs	207.91	189.67
Add Interest Income	42.03	35.04
Total Profit / (Loss) before tax and exceptional items	(417.10)	1,212.99
Less Exceptional items	(118.47)	285.11
Profit / (Loss) before tax	<b>(298.63)</b>	<b>927.88</b>
(c) Segment Assets		
Animal Feed	12,092.93	12,117.87
Oil cake processing	4,063.55	7,670.65
Dairy	1,581.73	996.07
Unallocated Assets	9,054.23	7,279.83
Total	<b>26,792.44</b>	<b>28,064.42</b>
(d) Segment Liabilities		
Animal Feed	2,409.05	2915.43
Oil cake processing	421.01	395.44
Dairy	287.67	219.35
Unallocated Liabilities	2,269.55	2256.20
Total	<b>5,387.28</b>	<b>5786.42</b>
(e) Segment Capital Expenditure		
Animal Feed	267.68	1,250.49
Oil cake processing	13.40	422.85
Dairy	346.93	67.78
Unallocated Capital Expenditure	48.78	—
Total	<b>676.79</b>	<b>1,741.12</b>





	2022-23	2021-22
(f) Segment Depreciation and amortisation expenses		
Animal Feed	205.80	109.67
Oil cake processing	63.55	50.99
Dairy	85.69	58.54
Unallocated Depreciation	80.48	83.13
Total	<b>435.52</b>	<b>302.33</b>
(g) There is no significant non-cash expenses, included in segment expenses, other than depreciation and amortisation expenses in respect of segment assets.		

Notes:

	2022-23 ₹ in lakhs	2021-22 ₹ in lakhs
1 Unallocated assets include		
Property, Plant and Equipment - Windmill	254.14	286.41
Non- current investments	327.48	102.50
Cash and Bank balances	1,279.56	1,670.44
Current tax asset	406.06	113.95
Current Investments	6,312.15	4,559.57
Deferred tax Assets - Net	6.61	—
2 Unallocated liabilities include		
Long Term borrowings	1,341.02	1,225.94
Unpaid dividends	86.38	107.39
Short-term borrowings	557.46	683.07
Deferred tax Liabilities - Net	—	16.56

## 35.16 Particulars in respect of stock and Revenue from Operations

₹ in lakhs

Sl. No.	Class of goods manufactured	Opening Value		Closing Value		Sales Value	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1.	Ready-mixed Animal Feed and Feed Supplement	903.27	881.86	1,355.73	903.27	1,40,763.60	1,45,842.15
2.	De-oiled Coconut Cake	597.65	305.54	89.18	597.65	3,367.47	2,940.75
3.	Refined Coconut Oil	371.88	12.73	411.49	371.88	10,938.57	12,869.77
4.	Solvent Extracted Coconut oil	756.83	187.90	749.63	756.83	—	438.73
5.	Milk	7.87	6.20	8.38	7.87	2,393.58	1,793.47
6.	Ice Cream	56.84	44.50	71.16	56.84	1,997.14	1,400.14
7.	Revenue from sale of Raw Materials	—	—	—	—	68.76	206.76
8.	Others	18.88	7.33	20.81	18.88	1,459.24	1,514.05
	Total	2,713.22	1,446.06	2,706.38	2,713.22	1,60,988.36	1,67,005.82

### 35.17 Raw materials consumed

		2022-23 ₹ in lakhs	2021-22 ₹ in lakhs
(a)	Coconut Oil Cake	32,503.06	38,488.04
(b)	Rice Bran	34,081.82	31,807.17
(c)	Maize	27,945.27	26,911.00
(d)	Cotton Seed Cake	13,163.34	16,786.09
(e)	Groundnut cake extraction	2,350.08	6,225.41
(f)	Gingelly cake	2,380.19	1,185.54
(g)	Rapeseed extraction	8,889.77	10,988.25
(h)	Milk	2,388.28	1,807.99
(i)	Others	10,987.06	5,155.95
Total		134,688.87	139,355.44

### 35.18 Consumption of raw materials and stores and spares

		Year ended 31 <sup>st</sup> March 2023		Year ended 31 <sup>st</sup> March 2022	
		%	₹ in lakhs	%	₹ in lakhs
(a)	Raw Materials				
	Imported	24.18	32,566.52	20.41	28,446.23
	Indigenous	75.82	102,122.35	79.59	110,909.21
	Total	100.00	134,688.87	100.00	139,355.44
(b)	Stores and Spares				
	Imported	0.38	2.57	0.38	2.98
	Indigenous	99.62	680.14	99.62	771.84
	Total	100.00	682.71	100.00	774.82

	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
35.19 CIF value of imports (₹ in lakhs)		
- Raw materials	15,764.68	20,871.37
- Capital goods	Nil	25.76
- Stores and Spares	Nil	12.24
35.20 Expenditure in Foreign Currency (₹ in lakhs)	Nil	Nil
35.21 Earnings in Foreign Exchange (₹ in lakhs)	42.04	16.63
35.22 Remittance in foreign currencies on account of dividend (including remittance to NRE accounts)		
i) No. of Non-Resident shareholders	214	128
ii) No. of shares held by them	69,409	65,453
iii) Dividend remitted in Foreign Currency	Nil	Nil



35.23 Significant Financial Ratios

Sl. No.	Ratios	Numerator / Denominator	As at 31.03.2023	As at 31.03.2022	Percentage Change
(a)	Current Ratio (in times)	Current Assets / Current Liabilities	5.29	5.21	1.54%
(b)	Debt Equity Ratio (in times)	Total Debt / Total Equity (Total Debt = Non-current borrowings + Current Borrowings)	0.0887	0.0857	3.50%
(c)	Debt Service Coverage Ratio (in times)	Earnings for Debt Service / Total Debt Service (Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments ; Debt service = Interest + Principal repayments)	0.59	1.78	(66.60%)
			Reason for variance : The net result after tax is negative for the year ended 31.03.2023, where as the result after tax was positive in the previous year.		
(d)	Return on Equity Ratio (percentage)	Net Profit after Taxes / Average Shareholders' Equity	(1.09%)	2.82%	(138.65%)
			Reason for variance : Reduction in margins due to abnormal increase in the cost of material inputs for the year ended 31.03.2023 compared to that of preceding year, without matching increase in the sales realisation.		
(e)	Inventory Turnover Ratio (in times)	Revenue from operations / Average Inventory (Inventories = Raw Materials + Finished Goods + Stores and spares parts (including packing material))	11.30	10.05	12.46%
(f)	Trade Receivables Turnover Ratio (in times)	Revenue from operations / Average Trade Receivables	1,176.58	2,075.27	(43.30%)
			Reason for variance : Increase in trade receivables as on 31.03.2023 compared to that of previous year, due to the shift in marketing strategy in favour of sanctioning credits, especially to ice cream dealers.		
(g)	Trade Payables Turnover Ratio (in times)	Net Credit Purchases / Average Trade Payables	78.47	72.30	8.53%
(h)	Net Capital Turnover Ratio (in times)	Revenue from operations / Working Capital (Working Capital = Current Assets - Current Liabilities)	9.30	8.74	6.47%
(i)	Net Profit Ratio (percentage)	Profit after tax / Revenue from Operations	(0.15%)	0.39%	(137.60%)
			Reason for variance : The main reason for reduction in the net profit ratio is the fall in the profits and reporting a loss for the year ended 31.03.2023 compared to the profit of previous year, as a result of abnormal increase in the cost of material inputs compared to preceding year, without matching increase in the sales realisation.		
(j)	Return on Capital Employed (percentage)	EBIT / Capital Employed (EBIT = Profit before interest, exceptional items and tax)	(0.42%)	5.02%	(108.46%)
			Reason for variance : The main reason for reduction in the return on capital employed is the fall in the profits and reporting a loss for the year ended 31.03.2023 compared to the profit of previous year, as a result of abnormal increase in the cost of material inputs compared to preceding year, without matching increase in the sales realisation.		
(k)	Return on Investment (percentage) (on current investments)	Income generated from invested funds / Time weighted average of investment	5.77%	4.21%	37.08%
			Reason for variance : The investments are in Mutual Funds, mainly in debts / liquid funds and the returns on such funds have appreciated compared to previous year.		

35.24 Disclosure of Related Party Transactions in accordance with Ind AS 24 “ Related Party Disclosures”

**A. Details of Related Parties:**

Sl. No.	Nature of Relationship	Name of related party
1	Key managerial personnel (a) Executive Directors	Mr. M.P. Jackson, Managing Director Mr. Paul Francis, Executive Director
	(b) Non-Executive Directors	Mr. Tom Jose Mr. P.D. Anto Mr. Dony A.G. Ms. Marykutty Varghese Ms. Danesa Raghulal Dr. Pyarelal K.C. Ms. Simi Davis Ms. Seema Davis Dr. Jose Paul Thaliyath Mr. Verghese C.V. Mrs. Nina Paul Mr. Jose John Mr. Paul Jose Thaliyath
2	Entities over which the key managerial personnel and their relatives are able to exercise significant influence having transactions with the Company	
	Emceepee Traders	Surya Agencies KLF Nirmal Industries P Ltd
	M.C. Paul and Sons	Pokkath Agencies KPL Oil Mills P. Ltd.
	Emceepee Agencies	K.L. Francis & Sons Delicious Cashew India P. Ltd.
	MCP Rose Supermarket P. Ltd.	K.L. Francis & Co Yamuna Roller Flour Mills P. Ltd
	MCP Properties P. Ltd.	KLF Oil Mills, Trichy POLJO Vyapar Kendra P. Ltd.
3	Relatives of Key Managerial Personnel having transactions with the Company	
	Mr. Bellraj Eapen	Ms. Sawmiya Varghese
	Mrs. Thressiamma George	Mrs. Mariamma Anto
	Mr. A.G. Antony	Mr. Anish P. Anto
	Mr. A.P. George	Ms. Sijy Anish
	Ms. Usha Hemachandran	Ms. Allu Alex
	Ms. Alphi Varghese	Mr. P.D. Vincent
4	Defined Benefit Gratuity Plan	KSE Employees’ Group Gratuity Fund Trust


**B. Transactions with Related Parties during the year**

(₹ in lakhs)

		Key Managerial Personnel		Close Family Members of Key Managerial Personnel		Entities Controlled/ Significantly influenced by Directors/Close Family Members of Directors	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
a.	Revenue Items						
	Revenue from sale of products	—	—	—	—	602.88	547.27
	Purchase of goods	—	—	—	—	1725.68	1673.38
	Remuneration to MD and ED	105.09	106.04	—	—	—	—
	Sitting Fees Paid to Non-executive Directors	52.90	33.50	—	—	—	—
	Reimbursement of Expenses - paid	5.40	4.80	—	—	—	—
	Interest on Public Deposit	6.69	7.03	18.44	17.49	—	—
	Sales Promotion	—	—	—	—	0.30	0.30
	Others	—	—	6.00	3.00	—	2.06
b.	Outstanding at the close of the year						
	Public Deposits	70.14	63.93	193.10	180.31	—	—
	Trade advances received	—	—	—	—	—	—
	Trade and other payables	—	—	—	—	22.21	4.89
	Bonus and gratuity payable	21.87	12.60	—	—	—	—
	Receivables	—	—	—	—	—	—

Note : Dividends as declared and paid to Key Managerial Personnel and their relatives, as applicable, based on shareholdings on the respective book closure dates, are not considered for the above statement.

**c. Other entities where significant influence exist :**

	2022-23 ₹ in lakhs	2021-22 ₹ in lakhs
Transaction with Defined Benefit Gratuity Plan		
Contribution to KSE Employees' Group Gratuity Fund Trust	157.33	60.61

d. 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.

**35.25 Shares held by Promoters as at 31-03-2023**

Sl. No.	Name of Promoter	As at 31st March, 2023			As at 31st March, 2022		
		No. of shares	% to total shares	change during the year (%)	No. of shares	% to total shares	change during the year (%)
1	George A P	50696	1.5843		50696	1.5843	
2	Jackson M P	44838	1.4012		44838	1.4012	
3	Thressiamma George	32620	1.0194		32620	1.0194	
4	T R Venugopal	28213	0.8817	9.7782	25700	0.8031	(5.9813)
5	Reena Gigi	28139	0.8793	32.7311	21200	0.6625	
6	Thandassery Raghavan Vijayakumar	25792	0.8060		25792	0.8060	
7	T.R. Ragulal	24208	0.7565		24208	0.7565	
8	Kollara Chathunny Pyarelal	23719	0.7412	1.2378	23429	0.7322	1.3102
9	Paul Francis	23701	0.7407		23701	0.7407	
10	Usha Hemachandran	22320	0.6975		22320	0.6975	
11	Lathika C M	21997	0.6874		21997	0.6874	
12	Gayathri Vijayaraghavan	20935	0.6542		20935	0.6542	0.0526
13	Siddharth Vijayaraghavan	20236	0.6324		20236	0.6324	
14	Molly Tomy	18887	0.5902	(10.9104)	21200	0.6625	
15	Esta Jackson	18787	0.5871	(10.9621)	21100	0.6594	
16	Pushpam Bright	18787	0.5871	(10.9621)	21100	0.6594	
17	Sunny Francis	18214	0.5692		18214	0.5692	
18	John Francis	18120	0.5663		18120	0.5663	
19	Thimathews Thomas Perumbilly	17993	0.5623		17993	0.5623	
20	Mercy Bastian	17800	0.5563		17800	0.5563	
21	Suja Johnson	17100	0.5344		17100	0.5344	
22	Sonia Sunny	14480	0.4525		14480	0.4525	
23	Beena Kailashnathan	13700	0.4281		13700	0.4281	
24	Sheela Rajiven	13700	0.4281		13700	0.4281	
25	Sini R. Santosh	13698	0.4281		13698	0.4281	
26	Johnson P D	12912	0.4035		12912	0.4035	
27	Prakasan K C	12663	0.3957	0.0237	12660	0.3956	
28	Beena John	12260	0.3831		12260	0.3831	
29	Dony A G	11612	0.3629	0.1639	11593	0.3623	0.0950
30	Antony A G	11410	0.3566	7.5401	10610	0.3316	
31	Anto P D	11050	0.3453		11050	0.3453	
32	Daisy Jose	10985	0.3433		10985	0.3433	
33	Susan Francis	10600	0.3313		10600	0.3313	
34	Mariamamma Anto	10540	0.3294		10540	0.3294	0.3810
35	Marykutty Varghese	10143	0.3170	0.0987	10133	0.3167	0.1978
36	A G Reena	8000	0.2500		8000	0.2500	
37	Rithamma M V	8000	0.2500	(33.3333)	12000	0.3750	(4.7619)
38	Hemna Prit	7360	0.2300		7360	0.2300	
39	Sawmiya Gino	7144	0.2233		7144	0.2233	1.1611



Sl. No.	Name of Promoter	As at 31st March, 2023			As at 31st March, 2022		
		No. of shares	% to total shares	change during the year (%)	No. of shares	% to total shares	change during the year (%)
40	Reena Jojy	7000	0.2188		7000	0.2188	
41	M P Gigi	6700	0.2094		6700	0.2094	
42	Tomy M P	6600	0.2063		6600	0.2063	
43	M P Bright	6500	0.2031		6500	0.2031	
44	Paulson A C	5722	0.1788		5722	0.1788	
45	A P Paul		0.0000	(100.0000)	5478	0.1712	
46	Danasa Raghulal Thandassery	5092	0.1591	1.8400	5000	0.1563	
47	Hemjith Vasudevan	5025	0.1570	0.4397	5003	0.1563	0.0200
48	Anu Viju Koithara	4400	0.1375		4400	0.1375	
49	Binu Fiji	4400	0.1375		4400	0.1375	
50	Suresh Jose	4400	0.1375		4400	0.1375	
51	Rose Varghese	4003	0.1251		4003	0.1251	
52	Usha Francis	3900	0.1219		3900	0.1219	
53	Siby Paul	2969	0.0928	100.0000		0.0000	
54	Marina Vincent	2830	0.0884	(1.7361)	2880	0.0900	1.7308
55	Teena Prince	2515	0.0786		2515	0.0786	
56	Prince Panikulam	2500	0.0781		2500	0.0781	
57	Sumi Paul	2170	0.0678		2170	0.0678	
58	Shiny Francis	2113	0.0660		2113	0.0660	
59	Leera Jeejo	1900	0.0594		1900	0.0594	
60	Tessy George	1700	0.0531		1700	0.0531	(29.1667)
61	Meera Pyarelal	1658	0.0518		1658	0.0518	
62	Jojoy Thomas K	1600	0.0500		1600	0.0500	
63	Rosy Thomas	1600	0.0500		1600	0.0500	
64	Seema Suresh	1600	0.0500		1600	0.0500	
65	Honey Roy	1300	0.0406		1300	0.0406	
66	Vincent P D	943	0.0295		943	0.0295	
67	George Therattil	900	0.0281		900	0.0281	
68	Francis Alappat	500	0.0156		500	0.0156	
69	Riya Prince	500	0.0156		500	0.0156	
70	Shyama Prakasan	500	0.0156		500	0.0156	
71	Sally Paul	400	0.0125		400	0.0125	
72	Allu P Anto	200	0.0063		200	0.0063	
73	Anish P Anto	200	0.0063		200	0.0063	
74	Latha Venugopal	200	0.0063		200	0.0063	
75	Sariga Raghulal	200	0.0063		200	0.0063	
76	Anil Kumar K C	100	0.0031		100	0.0031	
77	P D George	100	0.0031		100	0.0031	
78	Alpho Varghese	50	0.0016		50	0.0016	(50.0000)
79	Alice G Vellanikaran	8700	0.2719		8700	0.2719	
		817049	25.5333	(0.3427)	819859	25.6213	(0.3001)



- 35.26 The fire and safety system under installation at a cost of ₹ 127.51 lakhs kept under capital work in progress, including the licence fee of ₹ 6.92 lakhs paid, as we are awaiting for further inspection and NOC from Fire and Rescue Department, Kerala State, though a very small portion of the same has sanctioned by the Department.
- 35.27 Capital advance under Other Non-current Assets include ₹ 359.26 lakhs paid for purchase of an existing ice cream manufacturing facility in KINFRA park in Malappuram District to cater the northern districts of Kerala. The total consideration agreed for the purchase of the facility is ₹ 390 lakhs. As KINFRA is expected to announce a new Policy for transfer of existing industrial units, with considerable reduction in the fees for such transfers, the execution of the sale deed is kept pending. The possession of the plant is already with the Company and the plant is presently used by the Company for manufacture of ice cream under sub-lease based on a tripartite agreement with the seller and KINFRA. As such the cost of building, plant and machinery agreed to be purchased is not capitalised and depreciation is not charged thereon and further lease charges has not been accounted for the land agreed to be purchased.
- 35.28 The Company purchased 24.20 acres of land at Chammanampathy in Palakkad District in the year 2021 for ₹ 723.76 lakhs, with a plan of setting up of a modern cattle feed plant and ice cream manufacturing facility. Accordingly, architects were engaged who had prepared master plan and building layout plan, incorporating all the expansion plans thereto and were paid ₹ 36.58 lakhs for the same. Technical firms were also engaged for consultancy on setting up of an ice cream plant including assistance for securing government subsidy for the plant and they were made part payment of ₹ 19.24 lakhs as their professional fees. Subsequently the Board decided to reconsider their earlier decisions on the project and temporarily suspended the whole project for the time being, since another external agency was engaged for a detailed study on the long term plans of the Company as a whole. Hence the amount of ₹ 55.82 lakhs already spent on this project has been charged to Profit and Loss Statement under Other Expenses.
- 35.29 Other information
- The Company has not traded or invested in crypto currency or virtual currency during the year.
  - The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
  - The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
  - The Company does not have any holding or subsidiary company.
  - The Company does not have any transactions with companies struck off.
  - The Company does not have any charges or satisfaction which is yet to be registered with ROC (Registrar of Companies) beyond the statutory period.
  - The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- 35.30 Figures of the previous year have been regrouped and recast wherever necessary to suit the current year's layout.

**For and on Behalf of Board of Directors of KSE Limited**  
 (CIN No.L15331KL1963PLC002028)

As per our report of  
 even date attached

<b>Tom Jose</b> Chairman (DIN : 01971467)	Sd/-	<b>M.P. Jackson</b> (DIN : 01889504) Managing Director	Sd/-	For <b>SRIDHAR &amp; CO.</b> Chartered Accountants, Thiruvananthapuram (Firm No. 003978S)
<b>R. Sankaranarayanan</b> Chief Financial Officer	Sd/-	<b>Paul Francis</b> (DIN : 00382797) Executive Director	Sd/-	Sd/-
<b>Srividya Damodaran</b> Company Secretary	Sd/-	<b>P.D. Anto</b> (DIN : 00106965) Director	Sd/-	<b>CA. R. Sridhar, F. C. A.</b> (M. No. 026343) Partner
Inrinalakuda May 25, 2023		<b>Dony A.G.</b> (DIN : 09211623) Director	Sd/-	UDIN: 23026343BHAIWW8130



## SUMMARISED BALANCE SHEET FOR THE LAST FIVE YEARS

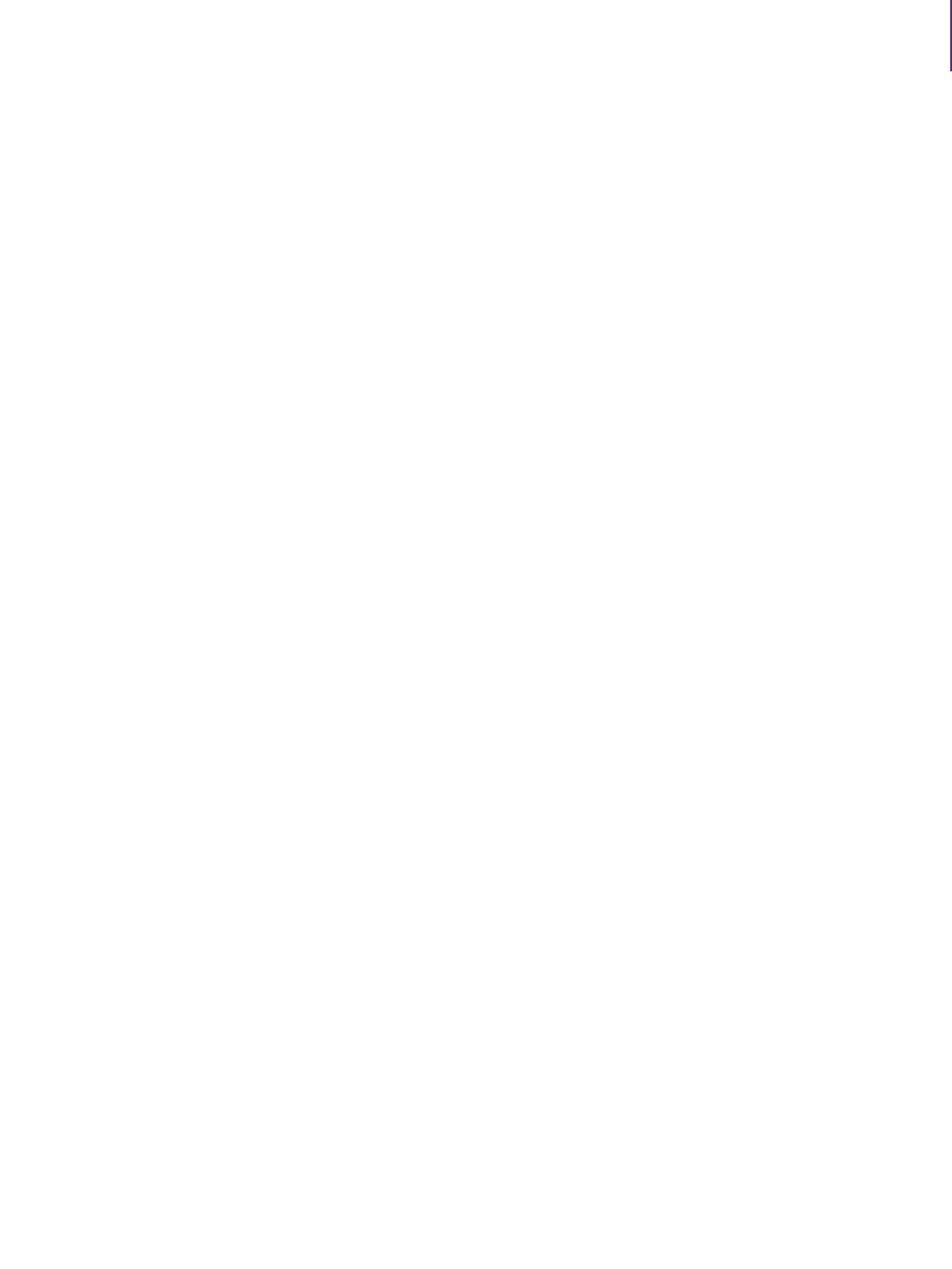
₹ in lakhs

	2022-23	2021-22	2020-21	2019-20	2018-19
<b>A. ASSETS</b>					
1. Net Fixed Assets	4255.09	4017.90	2608.31	2542.75	2620.04
2. Investments	6639.63	4662.37	11596.10	6562.14	4263.18
3. Current Assets and Advances	15897.72	19384.15	19290.47	9881.93	12840.26
Total asset	26792.44	28064.42	33494.88	18986.82	19723.48
<b>B. LIABILITIES</b>					
1. Secured and unsecured loans	1898.48	1909.01	4046.41	1490.47	4287.00
2. Other Liabilities	3488.80	3877.41	5139.85	3292.94	2459.33
Total liabilities	5387.28	5786.42	9186.26	4783.41	6746.33
<b>C. NET WORTH (A-B)</b>	21405.16	22278.00	24308.62	14203.41	12977.15
<b>REPRESENTED BY</b>					
1. Share Capital	320.00	320.00	320.00	320.00	320.00
2. Other Equity	21085.16	21958.00	23988.62	13883.41	12657.15
Shareholder's equity	21405.16	22278.00	24308.62	14203.41	12977.15

## SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST FIVE YEARS

₹ in lakhs

	2022-23	2021-22	2020-21	2019-20	2018-19
<b>A. EARNED FROM</b>					
1. Sales	160988.36	167005.82	154326.47	142851.82	120940.70
2. Other income	551.82	599.23	1498.97	421.78	766.26
	161540.18	167605.05	155825.44	143273.60	121706.96
<b>B. PAID AND PROVIDED FOR</b>					
1. Raw materials and finished goods	145209.61	148902.14	125265.30	125788.52	105279.64
2. Manufacturing, administrative, selling and other expenses	10169.48	11748.68	9902.28	9115.47	9612.48
3. Employee benefits expense	5809.21	5491.26	5389.14	5441.68	4933.01
4. Finance costs	207.91	189.67	148.39	152.71	130.85
5. Depreciation/amortisation	435.52	302.33	242.16	280.70	334.16
	161831.73	166634.08	140947.27	140779.08	120290.14
<b>C. PROFIT/(LOSS) BEFORE TAX (A-B)</b>	(291.55)	970.97	14878.17	2494.52	1416.82
Less: Tax Expenses	(58.71)	281.59	3652.96	689.59	504.15
<b>D. NET PROFIT / (LOSS) AFTER TAX</b>	(232.84)	689.38	11225.21	1804.93	912.67
<b>APPROPRIATED TO</b>					
1. Dividend	640.00	640.00	3200.00	640.00	480.00
2. Dividend distribution tax	—	—	—	—	98.67
3. Retained in business / (Utilised from accumulated profits)	(872.84)	49.38	8025.21	1164.93	334.00
	(232.84)	689.38	11225.21	1804.93	912.67





Regd. Office: Post Box No. 20, Solvent Road, Irinjalakuda, Kerala - 680 121  
Ph: 0480 2825476 Email: ksekerala@gmail.com Web: kselimited.com

FORM NO. MGT-11

## PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014 )

### 59<sup>th</sup> Annual General Meeting

Saturday, August 26, 2023 at 3.00 p.m.

1	Name of the Company	KSE Limited
2	CIN	L15331KL1963PLC002028
3	Registered Address	Solvent Road, Irinjalakuda – 680121, KERALA

1	Name of Sole / First Member	
2	Registered Address	
3	E Mail Id:	
4	Registered Folio No. / Client ID No.	
5	DP ID	

I/We, being member(s) holding ..... shares of the above named Company, hereby appoint

1	Name	
	Address	
	E Mail Id:	
	Signature	

or failing him

2	Name	
	Address	
	E Mail Id:	
	Signature	

or failing him

3	Name	
	Address	
	E Mail Id:	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the for 59<sup>th</sup> Annual General Meeting to be held on 26<sup>th</sup> August, 2023 at 3.00 pm at the registered address of the Company and at any adjournment thereof in respect of such resolutions as are indicated below :

#	Description	Type of Resolution	For	Against
<b>Ordinary business:</b>				
1	Adoption of Accounts for the year ended 31 <sup>st</sup> March, 2023	Ordinary		
2	Declaration of final dividend on equity shares at the rate of ₹ 20 per equity share	Ordinary		
3	Reappointment of Director, retiring by rotation, Dr. Pyarelal K.C. (DIN : 00923913)	Ordinary		
4	Reappointment of Director, retiring by rotation, Mr. Dony A.G. (DIN : 09211623)	Ordinary		
5	Reappointment of Director, retiring by rotation, Ms. Danesa Raghulal (DIN : 07975553)	Ordinary		
<b>Special Business:</b>				
6	Approval for acceptance of Deposits from Public/Members	Ordinary		
7	Approval of remuneration to Cost Auditor	Ordinary		

Signed this ..... day of ....., 2023

Signature of Shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Notes:**1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The form should be signed across the stamp as per specimen signature registered with the company.

2 A Proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.

3 For the resolutions, explanatory statement and Notes, please refer to the Notice of 59<sup>th</sup> Annual General Meeting.



**Board of Directors**



## PRODUCTION UNITS

### KERALA

**KSE LIMITED,**  
Irinjalakuda Unit, P.B.No.20,  
Solvent Road, Irinjalakuda - 680 121  
Ph: 0480-2825276, 2825576, 2826676  
E-mail: ksekerala@gmail.com

**KSE LIMITED**  
Koratty Unit, KINFRA Park, Nalukettu Road,  
Koratty 680 309, Thrissur Dist.  
Ph : 0480-2735855, 2734590,2735920

**KSE LIMITED**  
Vedagiri Unit, Kurumullur P. O, Athirampuzha,  
Kottayam Dist. -686 632  
Ph: 0481-2536829, 2538718, 2538719, 2536830

**KSE LIMITED**  
Palakkad Unit, Othungode, Kerala,  
Palakkad - 678 004.  
Mob No : 9846308308

**KSE LIMITED**  
Dairy Division, Konikkara, Marathakkara P.O.  
Thrissur 680 306.  
Ph: 0487-2356394, 2351501, 2358806

**KSE LIMITED**  
Ice Cream Unit, Vedagiri,  
Kurumullur P. O, Athirampuzha,  
Kottayam Dist. 686 632. Ph: 0481 2538881

### TAMIL NADU

**KSE LIMITED**  
Swaminathapuram Unit, Swaminathapuram,  
Dindigul Dist.-642113.  
Mob No : 9994019180

**KSE LIMITED**  
Dairy Unit, Thalayuthu P. O  
Palani Taluk, Tamil Nadu - 624 618.  
Mob No : 9629952861

## PRODUCTION UNITS - OUTSOURCED

**KSE LIMITED**  
VI/679 J Muppathadam P.O. Edayar,  
Kochi - 683 110. Mob No : 8281400361

**KSE LIMITED**  
Plot No.71, Industrial Development Area,  
Kochuveli, Titanium.P.O.  
Thruvananthapuram - 695 021  
Mob No : 9496775576

**KSE LIMITED**  
NIDA, Menonpara Road, Kanjikode,  
Palakkad - 678 621., Mob No : 8547881476

## BRANCH

**KSE LIMITED**  
9/622A, Petta, Kodampuzha Road  
Feroke Municipality, Kozhikode- 673 631  
Mob No : 9496121198



Corporate Office

P.B. No. 20, Solvent Road, Irinjalakuda, Kerala - 680 121  
Tel: 0480 2825476, 2826676, Email: ksekerala@gmail.com  
Website: www.kselimited.com