

2022-2023

**KERALA AYURVEDA LIMITED**



**31<sup>ST</sup> ANNUAL  
REPORT  
2022 - 2023**



**Inspired by Ayurveda, Powered by Science and Propelled by Education**

**Academies • Clinics • Hospitals • Products • Resorts**



# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

Mr. Ramesh Vangal, Chairman  
Dr. Kunjupanicker Anilkumar, Whole Time Director  
Mr. Anand Subramanian, Director  
Mr. Harish Kuttan Menon, Independent Director  
Mr. Subramaniam Krishnamurthy, Independent Director  
Mr. Gokul Patnaik, Director  
Ms. Shilpa Kiran Gududur, Independent Director  
Mr. Rajesh Sharma, Independent Director

## CFO

Mr. George K T

## COMPANY SECRETARY

Ms. Jyothi Gulecha

## REGISTERED OFFICE & FACTORY

VII/415, Nedumbassery, Athani P.O, Aluva-683 585, Kerala, India.

## CIN

L24233KL1992PLC006592

## CORPORATE OFFICE

Kerala Ayurveda Ltd.,  
807-2C HRBR Layout, 1<sup>st</sup> Main Road, Banaswadi, Bangalore - 560043

## SECRETARIAL AUDITORS

M/s. SVJS & Associates, Company Secretaries 39/3519 B, 1<sup>st</sup> Floor  
Padmam Apartments, Manikkath Road, Ravipuram, Kochi – 682017.

**BANKERS**

Kotak Mahindra Bank Ltd

SBM Bank (India) Ltd wef 1st April 2023

**BOARD COMMITTEES****AUDIT COMMITTEE**

Mr. Subramaniam Krishnamurthy, Chairman

Mr. Anand Subramanian, Member

Mr. Harish Kuttan Menon, Member

**NOMINATION AND REMUNERATION COMMITTEE**

Mr. Subramaniam Krishnamurthy, Chairman

Mr. Harish Kuttan Menon

Mr. Ramesh Vangal, Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Anand Subramanian, Chairman

Dr. Kunjupanicker Anilkumar, Member

Mr. Subramaniam Krishnamurthy, Member

**REGISTRAR & TRANSFER AGENTS**

M/s. Integrated Registry Management Services Pvt. Ltd.

Kences Towers No.1 Ramakrishna Street T Nagar,

Chennai - 600 017.

Ph: 044-28140801-03, Fax : 044-28142479

E-mail : csdstd@integratedindia.in

**STATUTORY AUDITORS**

M/s. Maharaj Rajan and Mathew

Chartered Accountants

32/2431, Kunnath Lane, S. N. Junction,

Palarivattom, Kochi-682 025

**INTERNAL AUDITORS**

Mr. Biju George, Chartered Accountant

Vellaringattu Towers, Thodupuzha – 685584

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## MESSAGE FROM THE CHAIRMAN

**Dear Shareholders,**

Following the challenges of COVID, our company underwent a positive transformation by cutting costs, re-focusing against consumers & Doctors. We emerged stronger and more flexible, poised for gradual and sustainable growth.

The basic foundation for strong growth are laid out clearly – global reach, leveraging our large fraternity of practitioners in the US generated by our one class academy, new product innovation and pipelines and our strategy of adopting an integrated digital platforms across all lines of business. The basic impetus to our scientific credentials having established without a doubt by KAL is being granted breakthrough USA and Japanese patents for metabolism including diabetes - lipid improvement and weight prevention.

However, our basic challenge now is to be able to direct significant resources and investment behind marketing, digital platform building and a global push thru our academy network and knowledge channel. KAL is after all probably the largest Ayurveda vocational institute outside of India.

To do this, your company will be working to re-finance and restructure its business in-order to create funds for investments while finding ways to reduce its high leverage. Over the course of 2023-24, we will strengthen top management, encourage high potential employees, and systematically implement a pay for performance criteria based on well thought through KPIs.

Consolidated revenue in 2022-23 was strong 16.1%. This was driven by strong growth in Health Services @ 53%. E-Commerce and the US business growth is being hampered by extraordinary circumstances outside of our control in the form of new US regulations and the need to revamp our digital platforms.

We expect to see stronger growth in 2023-24 and rapid momentum will be built from 2024-25 onwards by investing heavily behind Marketing, Health Services, Digitization and Global expansion.

Consolidated Revenue 2022-23 (Rs. Lacs)		Growth
Business Division	2022-23	vs 2122
Distribution	3,493	9%
Health Services	1,531	44%
Ayurvedagram	904	101%
Digital India	942	6%
US Business	2,180	9%
Other Institutional Revenues*	319	-29%
<b>Consolidated KAL</b>	<b>9,370</b>	<b>16%</b>
* Incl. Inter-co sales elimination		
<b>Total Health Services</b>	<b>2,436</b>	<b>53%</b>

We have attaching a brief company profile with outlines of who we are now and where we are headed.

All in all, my dear shareholders, we are on an exciting pathway, and we are determined to progress rapidly. We have challenges to overcome but we have the foundations of an excellent, committed team. We look forward to sharing with you our future updates.

27<sup>th</sup> August, 2023

Ramesh Vangal  
Chairman

**RECEIVES ITS 1<sup>ST</sup> US PATENT FOR  
A UNIQUELY PROCESSED PROPRIETARY  
HERBAL FORMULATION, INSPIRED  
FROM ANCIENT AYURVEDIC WISDOM**

The  
United  
States  
of  
America



**Inspired by Ayurveda, Powered by Science  
Propelled by Education and Fueled by Digital Revolution**





**Pharma Tech Outlook has honoured  
Kerala Ayurveda USA with prestigious  
TOP ALTERNATIVE MEDICINE  
COMPANY 2023 AWARD**





**KERALA AYURVEDA LTD**  
CIN: L24233KL1992PLC006592  
Regd. Off: VII/415, Nedumbassery, Athani PO, Aluva 683 585  
Ph: 0484-2476301(4 lines) Fax: 0484-2474376  
Email: info@keralaayurveda.biz Website: www.keralaayurveda.biz

**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of **Kerala Ayurveda Limited (CIN: L24233KL1992PLC006592)** will be held on Wednesday, 27<sup>th</sup> September, 2023 at 11 a.m. through Video Conferencing/ Other Audio Visual means to transact the following business in conformity with the regulatory provisions and the Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India:

**ORDINARY BUSINESS**

**1. To receive, consider and adopt:**

- a) the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the reports of the Board of Directors and Auditor's thereon.
- b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 together with the report of the Auditor's thereon.

**2. Appointment of Mr. Ramesh Vangal (DIN: 00064018) as Director, liable to retire by rotation.**

**SPECIAL BUSINESS**

**3. To renew the related party agreement with Ayurvedagram Heritage Wellness Centre Private Limited**

To consider and if thought fit, to pass the following resolution as a **"Ordinary Resolution"**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions if any of the Companies Act, 2013 (the Act) read with the Companies (Meeting of the Board and its powers) Rules, 2014 and read with Clause 23(4) of the SEBI (LODR) Regulations, 2015 and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into an agreement with M/s. Ayurvedagram Heritage Wellness Centre Private Limited, for the sale of medicines upto Rs.500 lacs during the period 01.04.2023 to 31.03.2024 with a discount upto 15% on MRP as resolved by the Board of Directors in its meeting held on 10<sup>th</sup> August, 2023 being beneficial to the company.

**"RESOLVED FURTHER THAT** Dr. K. Anilkumar be and is hereby authorized to execute the agreement subsequent to the approval by the Shareholders and to sign all other documents as required under the Companies Act, 2013."

**4. Ratification of the remuneration to Cost Auditors**

To consider and if thought fit to pass with or without modifications the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 ("the Act") and the approval by the Board of Directors of the Company be and is hereby accorded for ratification of the remuneration of Rs 1 lakh (plus out of pocket expenses & service tax as applicable) per financial year to M/s. SLR & Associates., Cost

Accountants Firm SASKAN- 42, Kaliyaparambil, Eroor North, Tripunithura, Kochi-682306 as the Cost Auditors of the Company for the FY 2023-24."

**5. To take control over the business segment Nutraveda from Katraphytochem (India) Pvt. Ltd. and to enhance the limit of Related party transactions:**

To consider and if thought fit, to pass the following resolution as a **"Ordinary Resolution"**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions if any of the Companies Act, 2013 (the Act) read with the Companies (Meeting of the Board and its powers) Rules, 2014 and read with Clause 23(4) of the SEBI (LODR) Regulations, 2015 and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors to take control over the business segment **NUTRAVEDA** from Katraphytochem (India) Pvt. Ltd. and to enhance the limit of Related party transactions with Katraphytochem (India) Pvt. Ltd. as an yearly limit up to Rs. 5 crores for purchase of raw material and up to Rs. 5 crores for sale of products, for FY 23-24 being beneficial to the company."

**"RESOLVED FURTHER THAT** Dr. K. Anilkumar be and is hereby authorized to execute the agreement subsequent to the approval by the Shareholders and to sign all other documents as required under the Companies Act. 2013."

**6. To consider and approve Re-appointment of Mr. Kunjupanicker Anilkumar (DIN: 0226353) as a Whole Time Director of the Company:**

To consider and if thought fit, to pass the following resolution as a **"Ordinary Resolution"**:

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors for the re- appointment of Dr. K Anil Kumar as Whole Time Director, designated as Executive Director of the Company for a period of three years from 28th June, 2024 to 27th June, 2027 and he shall be paid the remuneration as approved by the Nomination & Remuneration Committee of the Board as detailed in the explanatory statement."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution."

**7. To consider and approve the issuance of equity shares on preferential basis to Katra Phytochem(India) Pvt Ltd, promoter group by partially adjusting the existing unsecured loan of the company.**

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, and other applicable rules made thereunder (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), and in accordance with the Foreign Exchange Management Act, 1999, as amended or restated ("FEMA"), and rules, circulars, notifications, regulations and guidelines issued under FEMA the extant consolidated Foreign Direct Investment Policy, as amended and replaced from time to time ("FDI Policy") and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended and applicable if any, Ministry of Finance (Department of Economic Affairs), ("MoF"), Department for Promotion of Industry and Internal Trade, Ministry of Corporate Affairs ("MCA"), the Reserve Bank of India



("RBI"), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI (ICDR) Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations"), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations") and any other applicable laws, rules and regulations, circulars, notifications, clarifications, guidelines issued by the Reserve Bank of India, Ministry of Corporate Affairs, Government of India, the Securities and Exchange Board of India ("SEBI") and BSE Limited where the equity shares of the Company are listed ("Stock Exchange"), or any other authority / body and enabling provisions in the Memorandum and Articles of Association of the Company, and subject to necessary approvals, sanctions, permissions of appropriate statutory / regulatory and / or other authorities and persons, if applicable and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals / sanctions / permissions and / or consents, if any, and which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s), which the Board has constituted or may constitute to exercise its powers, including the powers conferred on the Board by this resolution), consent of the Members of the Company be and is hereby accorded to allot 5,55,000 (Five Lakhs Fifty-Five Thousand Only) equity shares of face value of Rs. 10/- (Rupee Ten Only) for an issue price of Rs. 125.21 (including a premium of Rs. 115.21/- per equity share) for an amount upto Rs. 6,94,91,550/- (Six Crores Ninety-Four Lakhs Ninety-One Thousand Five Hundred and Fifty Only), on a preferential basis at a price determined as per the provisions of Regulation 164 of SEBI (ICDR) Regulations, 2018 in such manner and on such terms and conditions as may be determined by the board in accordance with Chapter V of the SEBI (ICDR) Regulations, 2018 or any other provisions of the law as may be prevailing as on date and thereby partially adjust the existing unsecured loan of Rs. 19,24,96,646.22/- (Rupees Nineteen Crore Twenty-Four Lakh Ninety-Six Thousand Six Hundred and Forty-Six and Twenty-Two Paise Only) of Katra Phytochem (India) Private Limited ("Proposed Allottee/Lender") towards the share price for the issue 5 55,000 Equity Shares amounting to Rs. 6,94,91,550/- (Six Crores Ninety-Four Lakhs Ninety-One Thousand Five Hundred and Fifty Only)

The details of the proposed allottee:

Sr. No.	Name of the Proposed Allottee/Lender	Category	No. of Equity Shares	Investment Amount (in Rs.)
1.	Katra Phytochem (India) Private Limited	Promoter Group	5,55,000	6,94,91,550
<b>Total</b>			5,55,000	6,94,91,550

**"RESOLVED FURTHER THAT** in accordance with the provisions of Chapter V of the SEBI (ICDR) Regulations the **"Relevant Date"** for the purpose of calculating the floor price for the issue of Equity Shares be and is hereby fixed as Monday, 28<sup>th</sup> August 2023 being the date 30 days prior to the date of Annual General Meeting i.e., Wednesday, 27<sup>th</sup> September, 2023."

**"RESOLVED FURTHER THAT** all such Equity Shares to be issued as a result of partially adjusting the loan against equity shares as aforesaid shall be subject to provisions of Memorandum and Article of Association of the Company and shall rank *pari passu* in all respect including dividend and voting rights with the existing Equity Shares of the Company."

**"RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013, the names of the Proposed Allottee be recorded for the issue of invitation to subscribe to the Equity Shares and a private placement offer cum application letter in Form No. PAS-4 be issued to the Proposed Allottees inviting them to subscribe to the Equity Shares and consent of the Members of the Company be and is hereby accorded to the issuance of the same to the Proposed Allottee inviting them to subscribe to the Equity Shares."

**"RESOLVED FURTHER THAT** the subscription money in respect of equity shares to be offered to the Proposed Allottee has already been paid by them respectively by partially adjusting the Lender's loan into equity shares of the Company. The payment of consideration for the allotment of equity shares shall be by appropriation of the outstanding loan due to the Lender."

**"RESOLVED FURTHER THAT** the allotment shall be completed within a period of 15 days from the passing of this resolution, provided that where the allotment of Equity Shares is subject to receipt of any approval or permission from applicable regulatory authorities, the allotment shall be completed within a period of fifteen (15) days from the date of receipt of last of such approvals or permissions."

**"RESOLVED FURTHER THAT** the Equity Shares to be allotted in terms of this resolution shall be issued in dematerialized form and shall be subject to lock-in for such period as may be prescribed under Regulation 167 of the SEBI (ICDR) Regulations and the Equity Shares so offered, issued and allotted will be listed on Stock Exchanges where the Equity Shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Preferential Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and listing thereof with the Stock Exchange as appropriate and utilization of proceeds of the Preferential Issue, open one or more bank accounts in the name of the Company or otherwise, as may be necessary or expedient in connection with the Preferential Issue, apply to Stock Exchange for obtaining of in-principle and listing approval of the Equity Shares and other activities as may be necessary for obtaining listing and trading approvals, file necessary forms with the appropriate authority or expedient in this regard and undertake all such actions and compliances as may be necessary, desirable or expedient for the purpose of giving effect to this resolution in accordance with applicable law including the SEBI (ICDR) Regulations, 2018 and the SEBI (LODR) Regulations, 2015 take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive."



**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power herein conferred, to any committee or to one or more Directors or executive of the Company including making necessary filings with the Stock Exchange and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint consultants, professional advisors and legal advisors to give effect to the aforesaid resolution;"

**"RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

**8. To approve Related Party Transactions(RPTs) with Katra Phytochem(India) Private Limited to sell the land held in the name of the company**

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, and other applicable Rules, if any, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Company's policy on Related Party Transactions, approval of the members be and is hereby accorded to sell the land held by the Company along with the easement right to access the land to Katra Phytochem (India) Private Limited, a related party within the meaning of section 2(76) of the Act and regulation 2(1)(zb) of the Listing Regulations, on such term(s) and condition(s) as the Board of Directors may deem fit, at a value of Rs. 8,14,00,000/- (Rupees Eight Crore Fourteen Lakhs Only) and consequent adjustment to the loan amount of Rs. 8,14,00,000/- (Rupees Eight Crore Fourteen Lakhs Only), provided that the said contract(s) / arrangement(s) / transaction(s) so carried out shall be at arm's length basis, details of the proposed transaction with Katra Phytochem (India) Private Limited, being a related party are as per the below table:

SL. NO	DESCRIPTION	DETAILS
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Katra Phytochem (India) Private Limited, is a Company with common directors
2.	Name of the director or key managerial personnel who is related, if any and nature of relationship	Ramesh Vangal, Anand Subramanian & Gokul Patnaik are common Directors of Katra Phytochem (India) Private Limited.
3.	Tenure of the proposed transaction	One Time Transaction
4.	Nature, material terms, monetary value and particulars of contracts or arrangement	Nature of transaction: Sale of Land owned by the Company located at Sy. No. 7/2, Naganayakanakote, Anugondanahalli Hobli, Hoskote Taluk, Bangalore District. Monetary Value: Rs. 8,14,00,000 (Eight Crores and Fourteen Lacs only) Sale of Land in order the repay/adjust the loan availed by the Company from Katra

		Phytochem (India) Private Limited.
5.	Value of transaction	Rs.8,14,00,000 (Eight Crores and Fourteen Lacs only)
6.	Percentage of annual consolidated turnover of Kerala Ayurveda Limited considering FY2022-23 as the immediately preceding financial year	The transaction amounts to 8.69% of the total consolidated turnover of Kerala Ayurveda Limited considering FY2022-23 as the immediately preceding financial year.
7.	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	Determined as per the valuation report issued by the Registered valuer
8.	Justification of the transaction	The Company had availed loan of Rs. 19,24,96,646.22/- from Katra Phytochem (India) Private Limited, accordingly the Company proposes to partially repay the said loan by selling the agricultural land held in the name of the Company.
9.	If the transaction relates to any loans, inter -corporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure	Not Applicable
10.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Unsecured loan, repayable on demand at notional interest rate.
11.	The purpose for which the funds were utilized by the Company	Utilized for repayment of loans, working capital requirements, expansion and modification
12.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	The Company has procured a Valuation report from AJVA SP Appraisal Services Pvt Ltd, Independent Valuer in terms of terms of pricing and arm's length criteria.
13.	Justification as to why the RPT is in the interest of the listed entity;	The transaction will help in reducing the loan burden on the Company. The land being transferred is under litigation and as such the marketability of the land is not there. The present transaction is being done at market rate which is in the interest of the Company.
14.	A copy of the valuation or other external party report, if any such report has been relied upon;	Valuation report is uploaded on the website of the Company. The link for accessing the same is



		<a href="https://www.keralaayurveda.biz/investor-relationships">https://www.keralaayurveda.biz/investor-relationships</a>
15.	Percentage of the counter party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	Not Applicable, since it is one time transaction
16.	Any other information that may be relevant	N.A.

**RESOLVED FURTHER THAT** all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

9. **Approval to sale/transfer or otherwise dispose off the land situated at Sy No.7/2 at Naganayakanakote, Anugondanahalli Hobli, Hoskote Taluk, Bangalore Dt. Having an area of 2.85 acres (11,534 SQM; 1,24,147 SQFT) held in the name of the company towards using the sale proceeds to settle partially the loan extended by Katra Phytochem (India) Private Limited.**

To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("the Act") read with Companies (Management and Administration) Rules, 2014 and provision of the Memorandum and Articles of Association of the Company and subject to other applicable statutory provisions, rules, regulations, guidelines and subject to necessary approvals, consents, permissions and sanctions, if any, from the concerned Authorities and on such terms and conditions as may be agreed upon between the Company and Katra Phytochem (India) Private Limited, the approval of the members is be and hereby accorded to sale/ transfer, or otherwise dispose of: the Land at Sy. No. 7/2 At Naganayakanakote, Anugondanahalli Hobli, Hoskote Taluk, Bangalore District Having an Area Of 2.85 Acres (11,534 Sqm; 1,24,147 Sqft), to Katra Phytochem (India) Private Limited, at a Valuation Price determined in accordance with the Valuation Report issued by AJVA SP Appraisal Services Pvt Ltd (**"Registered Valuer"**), for the purpose of partial repayment of the loan availed from Katra Phytochem (India) Private Limited.

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Company Secretary or any other

Officer(s), or Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s)."

**"RESOLVED FURTHER THAT** all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

**Order of the Board of Directors**

For Kerala Ayurveda Limited

Sd/-

Jyothi Gulecha

Company Secretary

Place: Bengaluru

Date: 31.08.2023

**Notes:**

1. The Ministry of Corporate Affairs ("MCA") inter-alia vide its General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 20/2022 dated May 5, has permitted the holding of the Annual General Meeting ("AGM") through Video Conference/ Other Audio-Visual Means, without the physical presence of the Members at a common venue. Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and read with Master Circular dated July 11, 2023 issued by SEBI, 31<sup>st</sup> AGM of the company will be conducted through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at VII/415, Nedumbaserry Athani P O, Aluva, Ernakulam - 683585, which shall be deemed venue of the AGM.
2. The Explanatory Statement pursuant to section 102(1) and (2) of the Companies Act, 2013 in respect special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books will remain closed from Thursday, 21<sup>st</sup> September, 2023 to Wednesday, 27<sup>th</sup> September, 2023 (both days inclusive).
4. Corporate Members intending to permit their authorized representative(s) to attend the Meeting through Video Conferencing are requested to send to the Company a certified True Copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the Board Resolution to attend and vote on their behalf at the AGM. Through email-info@keralaayurveda.biz
5. Since this AGM will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), a) Members will not be able to appoint proxies for the meeting. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting. and (b) Attendance Slip & Route Map are not annexed to this Notice as the Meeting is held through VC/OAVM.
6. Pursuant to Section 160 of the Act, as amended by the Companies (Amendment) Act, 2017, the requirement of deposit of rupees one lakh shall not be applicable in case of appointment Independent Directors or Directors recommended by Nomination and Remuneration Committee.
7. Post the COVID-19 pandemic, and in conformity with the applicable regulatory requirements, the notice of the 31<sup>st</sup> AGM along with the Annual Report 2022-23 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2022-23 will also be available on the Company's website at



www.keralaayurveda.biz under "Investor Section", websites of the Stock Exchange i.e., BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., www.evotingindia.com

8. Members who have not registered their email address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Pvt. Ltd., Kences Towers No.1 Ramakrishna Street T Nagar, Chennai - 600 017.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
10. Members are requested to send their correspondence/queries to the Share Transfer Agents, M/s. Integrated Enterprises (India) Ltd having office at Kences Towers, 2nd Floor, No.1 Ramakrishna Street, Off North Usman Road, T Nagar, Chennai 600 017, Ph: 04428140801 to 03 Fax: 044-28142479, E-mail: csdstd@integratedindia.in with a copy to the company's registered office and quote their folio number/client ID number.
11. Members holding shares in physical form are requested to notify any change in their address to the Company's Registrar & Share Transfer Agent. Members holding shares in electronic form are requested to intimate the changes, if any, in their address to respective depository participants only.
12. Shareholders intending to make queries at the AGM on any aspect of the working of the company, on the published accounts or on the Directors' Report may send an email to [companysecretary@keralaayurveda.biz](mailto:companysecretary@keralaayurveda.biz) latest by 21<sup>st</sup> September, 2023.

### 13. Voting Through Electronic Means

- In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote at the Thirtieth Annual General Meeting (AGM) by electronic means and the business may be transacted through e voting services provided by Central Depository Services (India) Ltd (CDSL). The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through Video Conferencing will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013
- The E- voting facility shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e voting shall be able to exercise their right at the meeting; The members who have cast their vote by e-voting prior to AGM may also attend the AGM but

shall not be entitled to cast their vote again.

Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.

#### 14. The Process and Instructions for Remote E-Voting are As Under:

- i. The remote e-voting period begins on Sunday, 24<sup>th</sup> September, 2023 (9.00 a.m.) and ends on Tuesday, 26<sup>th</sup> September, 2023 (5.00 pm). The remote e-voting facility will be blocked thereafter. During this period shareholders of the Company, holding shares either in physical form or in Dematerialized form, as on Wednesday, 20<sup>th</sup> September, 2023 (being cut off date), may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter.

**Note:** A person who is not a Member as on cut off date should treat this Notice for information purposes only.

- ii. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on 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.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e., CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <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 provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>



Individual Shareholders holding securities in DEMAT mode with NSDL	<p>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.nsdl.com">https://eservices.nsdl.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 the 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 or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.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 held 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 or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in DEMAT mode) login through their Depository Participants	<p>You can also login using the login credentials of your DEMAT account through your Depository Participant registered with NSDL/CDSL for eVoting 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 or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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 022-23058738 and 22-23058542-43.
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

**iii. Login method for e-Voting and joining virtual meetings for shareholders other than individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.

- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.

**If you are a first-time user follow the steps given below:**

	<b>For Shareholders holding shares in DEMAT Form other than individual and Physical Form</b>
PAN	<p>Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>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 as mentioned in instruction (v).</li> </ul>

- iv. After entering these details appropriately, click on "SUBMIT" tab.
- v. 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 is to be also used by the DEMAT holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. For shareholders holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.
- vii. Click on the EVSN 230902018 for the relevant company (Kerala Ayurveda Limited) on which you choose to vote.
- viii. 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.
- ix. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- x. 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.



- xi.** Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xii.** You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xiii.** 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 & enter the details as prompted by the system.
- xiv. Facility for Non – Individual Shareholders and Custodians –Remote Voting**
- 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 signature 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - 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, [info@keralaayurveda.biz](mailto:info@keralaayurveda.biz) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM &- EVOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN (230902018) of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote eVoting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending the request in advance at least **5 days prior to meeting**

mentioning their name, DEMAT account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to the meeting** mentioning their name, DEMAT account number/folio number, email id, mobile number at [companysecretary@keralaayurveda.biz](mailto:companysecretary@keralaayurveda.biz). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
11. Mr Pramod S M, Practicing Company Secretary, BMP&Co. LLP, (Membership No. FCS 7834 & CP No.13784) has been appointed as the Scrutinizer by the Board for providing a facility to the Members of the Company to scrutinize the remote e-Voting process before the AGM as well as remote eVoting during the AGM fairly and transparently.
12. The Scrutinizer will submit his report to the Chairman, or any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges on which the Company's shares are listed, NSDL, and RTA, and will also be displayed on the Company's website at [www.keralaayurveda.biz](http://www.keralaayurveda.biz).

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

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 provide DEMAT account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name of client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company ID- [companysecretary@keralaayurveda.biz](mailto:companysecretary@keralaayurveda.biz) / RTA email id- [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in)

If you have any queries or issues regarding attending AGM & 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 022- 23058738 and 022-23058542/43.

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 on 022-23058542/43.

**Explanatory Statement**

Pursuant to Section 102(1) of The Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Special Business mentioned under resolutions Nos. 3 to 9 of the accompanying Notice.

**Item No. 3: Ordinary Resolution**

M/s Ayurvedagram Heritage Wellness Centre Private Limited is the subsidiary company of Kerala Ayurveda



Limited, in which your company holds 74% of share capital, based in Karnataka it is a wellness provider company with inpatient and outpatient facilities. We are currently providing 15% discount to this company as per the agreement with the party. Hence, we plan to renew the agreement with the Company being our subsidiary.

The Board of Directors in its meeting dated 10<sup>th</sup> August, 2023 resolved to execute an agreement with Ayurvedagram Heritage Wellness Centre Private Limited for the sale of medicines with a discount upto 15% on MRP the period from 01.04.2023 to 31.03.2024.

As per Section 188 of the Companies Act 2013, the company shall not enter into a contract or arrangement with any related party except with the prior approval of the Shareholders if they are not in the ordinary course of business and not on arm's basis. Mr. Ramesh Vangal (DIN 00064018) Chairman, Mr. Anand Subramanian (DIN 00064083), and Mr. S. Krishnamurthy (DIN 00140414), Directors of the company are concerned or interested, in the resolution as they are common directors of Ayurvedagram Heritage Wellness Centre Pvt. Ltd., subsidiary of Kerala Ayurveda Limited. But they are not holding any shares or beneficial interest in Ayurvedagram Heritage Wellness Centre Private Limited.

Save and except for Mr. Ramesh Vangal and Mr. Anand Subramanian being the common directors' none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends this resolution for the approval of the shareholders.

#### Item No.4: Ordinary Resolution

M/s. SLR & Associates, Cost Accountants, have been appointed as the Cost Auditors of the Company for the Financial year 2023-24 by the Board of Directors at the meeting held on 10<sup>th</sup> August 2023 through the proposed resolution. It is proposed to pay Rs 1 lakh/- (plus out of pocket expenses & service tax as applicable) per financial year to M/s. SLR & Associates as remuneration to the Cost Auditors. In terms of provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be ratified by the shareholders of the Company. Your Directors recommend the resolution for your approval. No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

#### Item No.5: Ordinary Resolution

**To take control over the business segment Nutraveda from Katraphytochem (India) Pvt. Ltd. and to enhance the limit of Related party transaction**

Sr. No.	Particulars	Details
a.	Name of the target entity, details in brief such as size, turnover etc.	<b>Name:</b> Nutraveda® a Nutraceutical product range, one of the Business Undertaking of Katra Phytochem India Pvt. Ltd. (KPIPL) having a manufacturing facility at Bangalore. <b>Turnover of NUTRAVEDA (Business Undertaking of KPIPL): 417.91 lakhs</b> as on 31 <sup>st</sup> March, 2023.
b.	Whether the acquisition would fall within related party transaction(s) and whether the promoter group/ group companies have interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	1. Yes: - the acquisition falls within the related party transactions - Kerala Ayurveda Limited and KPIPL are part of the same promoter group company i.e., Katra Holdings Ltd. 2. Nature of Interest: Common Directors 1. Mr. Ramesh Vangal, Non-Executive Director 2. Mr. Anand Subramanian, Non-Executive Director 3. Considering that KAL is part of the same promoter group,

		KPIPL will not be charging any consideration for taking over the business, it is more interested in growing the business through KAL sales force and a 10% mark up on the cost will be charged on the product supply to KAL and expects that the business will grow multifold under KAL. KPIPL owns the trademark of Nutraveda and trademarks of all current products promoted by Nutraveda division. It has agreed to allow usage of all trademarks associated with Nutraveda Division in perpetuity for no consideration or Royalty. Thereby, the said transaction is not on arm's length basis.						
c.	Industry to which the entity being acquired belongs	Pharmaceuticals						
d.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The Company is already present in the business of manufacturing and selling ayurveda products. The proposed transaction will help the Company to expand its presence in the said space through an increase in product pipeline. .						
e.	Brief details of any governmental or regulatory approvals required for the acquisition	The transaction is not subject to any governmental or regulatory approvals.						
f.	Indicative time period for completion of the acquisition	Within one week.						
g.	Nature of consideration - whether cash consideration or share swap and details of the same	Considering that KAL is part of the same promoter group, KPIPL will not be charging any consideration for taking over the business, it is more interested in growing the business through KAL sales force and is happy to earn 10% on product supply to KAL and expects that the business will grow multifold under KAL.						
h.	Cost of acquisition or the price at which the shares are acquired	The transaction is not for acquisition of shares. The acquisition price for Business Undertaking is Nil.						
i.	Percentage of shareholding / control acquired and / or number of shares acquired	Not applicable, as no shares / control is acquired.						
j.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>Nutraveda® A Division of Katra Phytochem (India) Pvt. Ltd., established 3 years back is committed to providing the highest quality products and have focused their energies and resources in developing innovative products, which are built on three pillars ✓ Purity ✓ Safety ✓ Efficacy.</p> <p>They are committed to quality, accountability, consistency, and traceability of their products. A reliable value provider and partner to customers, they are in constant quest of developing innovative processes for improved product offering with <b>maximum purity and bioavailability.</b></p> <p><b>Turnover summary</b></p> <table><tr><td>2019-20</td><td>Rs.57.34 lakhs</td></tr><tr><td>2020-21</td><td>Rs.201.30 lakhs</td></tr><tr><td>2021-22</td><td>Rs.332.32 lakhs</td></tr></table>	2019-20	Rs.57.34 lakhs	2020-21	Rs.201.30 lakhs	2021-22	Rs.332.32 lakhs
2019-20	Rs.57.34 lakhs							
2020-21	Rs.201.30 lakhs							
2021-22	Rs.332.32 lakhs							

Save and except for Mr. Ramesh Vangal, Mr. Anand Subramanian & Mr. Gokul Patnaik being the common directors' none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.



As the proposal is being worked on a-win-win basis the Directors therefore, recommends the approval of Shareholders on the same.

**Note:** The Agreement entered as in the proposed resolution is available for inspection at the Registered Office of the Company between 10 A.M to 6 P.M except on weekends and Public Holidays.

**Item No. 6: Ordinary Resolution**

**Re-appointment of Mr. Kunjupanicker Anilkumar (DIN: 0226353) as an Executive Director of the Company**

The Board of Directors of the Company ("Board"), at its meeting held on August 10<sup>th</sup>, 2023 has, subject to the approval of Members, proposed re-appointed Mr. Kunjupanicker Anilkumar (DIN: 0226353) as Whole time Director, for a period of 3 (five) years from the expiry of his present term, i.e. with effect from June 28, 2024, on such terms and conditions as recommended by, Nomination and Remuneration Committee ("RCM Committee") of the Board.

**Term & Remuneration is as detailed below:**

The term of re-appointment is for 3 years from 28<sup>th</sup> June, 2024 to 27 June, 2027.

Basic Salary: Rs.1, 25,000/- per month

II. Allowances/Perquisites:

a) Special Allowance: Rs. 69, 000/- per month

b) Leave Travel Allowance: Yearly payment of Rs. 60,000/-

c) Housing: In case no accommodation - owned or hired is provided by the Company the Director shall be entitled to 40% of the basic salary relevant of the concerned period as and by way of House Rent Allowance subject to a maximum Rs 50,000/-

d) Medical Reimbursement: Expenditure incurred by the Director and his family, subject to a ceiling of Rs.12,000/- per annum

e) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof more than six months as per relevant provisions of the Gratuity Act.

f) Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company.

g) Provision of car with driver for use in relation to Company's business will not be considered as perquisites. Personal long-distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director.

He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Save and except Mr. Kunjupanicker Anilkumar, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Approval of members is sought for the re appointment of Mr. Kunjupanicker Anilkumar (DIN:0226353) as Whole time Director of the Company and his continuation as a director not liable to retire by rotation in terms of the applicable provisions of the Act and the Listing Regulations.

**Item No.7 Special Resolution**

The Board in their Meeting held on 31<sup>st</sup> August 2023, subject to necessary approval(s), had approved to offer, issue and allot equity shares of the Company to proposed allottee on preferential basis.

In accordance with Sections 23, 42 and 62(1)(c) and other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended from time to time, approval of shareholders of the Company by way of special resolution is required to issue of upto 5,55,000 (Five Lakh Fifty-Five Thousand Only) Equity Shares having face

premium of Rs. 115.21/- per share) for an amount upto Rs. 6,94,91,550/- (Rupees Six Crore Ninety Four Lak only) below person, Promoter to whom the shares to be allotted on Preferential basis;

Sr. No.	Name of the Proposed Allottee	Category	No. of Equity Shares	Investment Amount (in Rs.)
1.	Katra Phytochem (India) Private Limited	Promoter Group	5,55,000	6,94,91,550
Total			5,55,000	6,94,91,550

Necessary information or details in respect of the proposed Preferential Issue of Equity Shares in terms of Section 42 and 62(1)(c) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Chapter V of the SEBI (ICDR) Regulations are as under:

1. Particulars of the offer including date of passing of the Board resolution, kind of securities offered, total/maximum number of securities to be issued and the Issue Price:

The Board of Directors of the Company at their meeting held on Thursday, 31<sup>st</sup> August, 2023, subject to the approval of the Members of the Company ("**Members**") and such other approvals as may be required, had approved the issue of Equity shares having face value of Rs. 10/- (Rupees Ten Only) on a preferential basis, for cash consideration, in the following manner:

Sr. No.	Name of the Proposed Allottees	PAN	Nature and Number of Securities	Price of Each Security	Total Amount (in Rs.)
1.	Katra Phytochem (India) Private Limited	AABCA4709N	5,55,000 Equity Shares	125.21	6,94,91,550
Total			5,55,000		6,94,91,550

The terms and conditions of the Preferential Issue of the Equity Shares are as stated in the Resolution No. 1.

2. Objects of the Preferential Issue:

The Company proposes to reduce the unsecured loans by adjusting the same against the issue of Equity Shares of the Company.

3. Relevant Date:

In terms of the provisions of Chapter V of the SEBI (ICDR) Regulations, relevant date for determining the floor price for the Preferential Issue of the Equity Shares is 28<sup>th</sup> August 2023, being the date 30 days prior to the date of this Annual General Meeting i.e., 27<sup>th</sup> September 2023.



**4. Basis on which the price has been arrived at and justification for the price (including premium, if any) and Name and Address of the valuer who performed Valuation:**

The Equity Shares of the Company are listed on BSE Limited and are frequently traded in accordance with the SEBI (ICDR) Regulations. Hence, the same has been considered in accordance with the SEBI (ICDR) Regulations for the purpose of computation of the floor price. Accordingly, the floor price in terms of Regulation 164 of the SEBI (ICDR) Regulation, is Rs. 125.21/- (Rupees One Hundred and Twenty-Five and Twenty-One Paise only) per Equity Share, being higher of the following:

- a) the 90 (Ninety) trading days volume weighted average price of the Equity Shares of the Company quoted on BSE, preceding the Relevant Date, is Rs. 119.50 (Rupees One Hundred and Nineteen and Fifty Paise only) per Equity Share; or
- b) the 10 (Ten) trading days volume weighted average price of the Equity Shares of the Company quoted on the BSE, preceding the Relevant Date, i.e., Rs 120.62/- (Rupees One Hundred and Twenty and Sixty-Two Paise only) per Equity Share.

Further, Articles of Association of the Company doesn't provide for any method of determination for valuation of shares which results in Floor Price higher than determined price pursuant to SEBI (ICDR) Regulations.

Further, in terms of Regulation 166A of the SEBI (ICDR) Regulations, the Company has obtained a valuation report from an independent registered valuer Mr. Anjan Babu S, Independent Registered Valuer (IBBI Registered Valuer No. IBBI/RV/06/2018/13540, Membership Number-241590) and the price determined by such independent registered valuer is Rs 125.21/- (Rupees One Hundred and Twenty-Five and Twenty-One Paise only) per Equity Share. The valuation report shall be available for inspection by the Members at the Meeting and will also be made available on the Company's website and will be accessible at link <https://www.keralaayurveda.biz/investor-relationships>

Hence, the floor price in terms of Regulation 164 and read with Regulation 164A of the SEBI (ICDR) Regulations shall be Rs 125.21/- (Rupees One Hundred and Twenty-Five and Twenty-One Paise only) per Equity Share.

The issue price shall be subject to appropriate adjustments in the cases specified under Regulation 166 of the SEBI (ICDR) Regulations.

**5. Amount which the Company intends to raise by way of such securities:**

The Company intends to adjust unsecured loans of Rs. 6,94,91,550/- (Rupees Six Crore Ninety - Four Lakh Ninety-One Thousand Five Hundred and Fifty Only) by way of issue of Equity Shares of the Company.

**6. Intent of the Promoters, Directors, Key Managerial Personnel or Senior Management of the Company to subscribe to the Preferential Issue:**

Katra Phytochem (India) Private Limited forms part of the Promoter Group and is participating in the preferential offer. Apart from the Promoter and Promoter Group, none of the Directors, Key Managerial Personnel or Senior Management or their relatives intend to subscribe to any Equity Shares pursuant to the Preferential Issue.

**7. Time frame within which the Preferential Issue shall be completed:**

As required under the SEBI (ICDR) Regulations, the Equity Shares shall be allotted by the Company within a period of 15 days from the date of passing of Resolution as provided in Item No. 1 of this Notice, provided that where the allotment of the proposed Equity Shares is pending on account of receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

**8. Name of the proposed allottee, class and percentage of post Preferential Issue capital that may be held by them:**

Name of the Proposed Allottees	Class	Pre-Issue Holding		Post-Issue Shareholding	
		No.	%	No.	%
Katra Phytochem (India) Private Limited	Equity Shares	-	-	5,55,000	4.995%

**9. Contribution being made by the promoters or Directors either as part of the offer or separately in furtherance of objects-**

The Unsecured Loan given by Katra Phytochem (India) Private Limited is being adjusted against the issue of Equity Shares of the Company. Hence, contribution is being made by the promoters and the promoter group of the Company. Further, none of the Directors shall contribute as part of the offer or separately in furtherance of its objects.

**10. Principle terms of assets charged as securities:**

Not Applicable

**11. Shareholding pattern of the Company before and after the Preferential Issue:**

The shareholding pattern of the Company giving the position as on the latest available BENPOS dated 25<sup>th</sup> August, 2023 being the latest practicable date prior to the approval of Board of Directors of the Company and issuance of notice to the Members of the Company is provided as "Annexure A" to the Notice.

**12. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the Preferential Issue:**



Sr. No.	Name of the Proposed Allottee	Ultimate Beneficial Owner	Category of the allottee	PAN of the Allottee	Pre-issue Equity holding	Percentage (%) of Equity Shares held Pre-Issue	No. of Equity Shares to be allotted	Post issue Equity Holding	Percentage (%) of Equity Shares held post issue
1.	Katra Phytochem (India) Private Limited	Mr. Ramesh Vangal	Promoter Group	AABCA4709N	Nil	Nil	555000	555000	4.995

**13. Change in Control or Management, if any, that would occur in the Company consequent to the Preferential Issue:**

There shall be no change in management or control of the Company pursuant to the aforesaid issue of Equity Shares. However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Issue.

**14. Justification for offer being made for consideration other than cash together with the valuation report of the Registered Valuer:**

Not applicable. The Offer which is specified in item no. 1 is being made for cash which is adjusted against the unsecured loans availed.

**15. Number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

Save and except the preferential issue as proposed in the resolution no.1 as set in the accompanying Notice, the Company has made no other issue or allotment of securities on preferential basis during the financial year 2023-2024.

**16. Lock-in Period:**

The Equity Shares allotted by way of preferential issue shall be locked in for a period of 90 days from the date of trading approval as specified under chapter V of the SEBI (ICDR) Regulations.

**17. Listing:**

The Company will make an application to the Stock Exchange, BSE Limited, at which the existing shares of the Company are listed, for listing of the equity shares. Such equity shares, once allotted, shall rank pari-passu with the existing equity shares of the Company in all respects, including dividend and voting rights.

**18. The current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter:**

The proposed allottee belongs to Promoter Group category.

**19. Practicing Company Secretary Certificate:**

The certificate from BMP & Co. LLP, Practicing Company Secretary, having its office at # 4272, Saptagiri, 2<sup>nd</sup> Floor, Vivekananda Park Road, Near Seetha Circle, Girinagar, Bengaluru- 560085 , certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations shall be available for inspection by the Members during the Meeting and will also be made available on the Company's website and will be accessible at link: <https://www.keralaayurveda.biz/investor-relationships>

**20. Material terms of the proposed Preferential Issue of the Equity Shares:**

The material terms of the proposed preferential issue of Equity Shares are stipulated in the special resolution as set out in Item No. 1 of this Notice.

**21. Other disclosures:**

- a) Neither the Company nor its Directors' or Promoters have been declared as willful defaulter or fraudulent borrower as defined under the Schedule VI of SEBI (ICDR) Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI (ICDR) Regulations;
- b) The Company is eligible to make the Preferential Issue under Chapter V of the SEBI (ICDR) Regulations;
- c) As the Equity Shares have been listed for a period of more than 90 trading days as on the Relevant Date, the provisions of Regulation 164(3) of SEBI (ICDR) Regulations governing re-computation of the price of shares shall not be applicable;
- d) The Company shall recompute the price of the Equity Shares to be allotted under the Preferential Issue in terms of the provisions of SEBI (ICDR) Regulations where it is required to do so.
- e) If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the Equity Shares to be allotted under the Preferential Issue shall continue to be locked in till the time such amount is paid by the Proposed Allottee. – Not Applicable, since the Company has outstanding loan amount which can be adjusted against the re-computation of price.
- f) The Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the listing agreement with the Stock Exchange (i.e., BSE Limited) and the SEBI Listing Regulations, as amended and circulars and notifications issued by the SEBI thereunder.
- g) The proposed allottee have not sold or transferred any Equity Shares during 90 (Ninety) trading days preceding the relevant date. – Not applicable, since the proposed allottee does not have any pre-preferential holding in the Company.

Accordingly, the approval of the Members of the Company is hereby sought by way of special resolution for authorizing the Board of Directors of the Company to create, offer, issue and allot Equity Shares of the Company as specifically described in the resolutions set out at Item No. 1 of this Notice.



In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Companies Act, 2013 only after the approval of its shareholders by way of a special resolution has been obtained. Further in terms of Regulations 160 of SEBI (ICDR) Regulations, a special resolution needs to be passed by shareholders of a listed company to issue Equity shares on preferential basis.

The documents referred to in the Notice, for which this shareholder's approval is being obtained, will be available electronically for inspection on website link <https://www.keralaayurveda.biz/investor-relationships>. Members seeking to inspect such documents can send an email to [investor@keralaayurveda.biz](mailto:investor@keralaayurveda.biz)

Issue of the said Equity Shares would be well within the Authorised Share Capital of the Company.

The Board of Directors believe that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out in the Item No. 1 in the accompanying notice for approval by the Members.

The Board believes that the abovementioned proposals are in the interest of the Company and accordingly, recommends the special resolutions set out at Item No. 1 of this Notice for the approval of the Members.

Except Mr. Ramesh Vangal, Promoter Director, None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise in the said resolution, except to the extent of their shareholding, if any, in the Company.

#### **Item No.8 Special resolution.**

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), as amended, any transactions with a related party shall be considered material, if the transaction(s) entered into/ to be entered into individually or taken together with the previous transactions during a financial year exceeds ₹1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and shall require prior approval of shareholders by means of an ordinary resolution. The amended Regulation 2(1)(zb) of the SEBI Listing Regulations has also enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, as well as (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not.

Katra Phytochem (India) Private Limited ("the Lender"), is a related party of the Company, as both the companies have common directors and forms part of the Promoter Group. The Company had availed an unsecured loan of Rs. 19,24,96,646.22/- from the Lender. At present, the Company has proposed to partially adjust the loan by selling the land held in the name of the Company which shall reduce the loan burden on the Company. The Land is being sold along with easement rights for access to the land through the land belonging to Ayurvedagram Heritage Wellness Centre Private Limited, a subsidiary of

the Company. The land being sold is evaluated as per the Valuation Report and is being sold at the market value which shall be beneficial to the interest of the Company. Further, the related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal has been evaluated by a reputed external independent valuer and has confirmed that the proposed terms of the contract/agreement meet the arm's length criteria.

The following is the brief particulars of the transaction to be entered with Katra Phytochem (India) Private Limited (Lender):

SL. NO	DESCRIPTION	DETAILS
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Katra Phytochem (India) Private Limited, is a Company with common directors
2.	Name of the director or key managerial personnel who is related, if any and nature of relationship	Ramesh Vangal, Anand Subramanian & Gokul Patnaik, common Directors of Katra Phytochem (India) Private Limited.
3.	Tenure of the proposed transaction	One Time Transaction
4.	Nature, material terms, monetary value and particulars of contracts or arrangement	Nature of transaction: Sale of Land owned by the Company located at Sy. No. 7/2, Naganayakanakote, Anugondanahalli Hobli, Hoskote Taluk, Bangalore District. Monetary Value: Rs.8,14,00,000 (Eight Crores and Fourteen Lacs only) Sale of Land in order the repay/adjust the loan availed by the Company from Katra Phytochem (India) Private Limited
5.	Value of transaction	Rs.8,14,00,000 (Eight Crores and Fourteen Lacs only)
6.	Percentage of annual consolidated turnover of Kerala Ayurveda Limited considering FY202223 as the immediately preceding financial year	The transaction amounts to 8.69 % of the total consolidated turnover of Kerala Ayurveda Limited considering FY2022-23 as the immediately preceding financial year.
7.	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	Determined as per the valuation report issued by the Registered valuer
8.	Justification of the transaction	The Company had availed loan of Rs. 19,24,96,646.22/- from Katra Phytochem (India) Private Limited, accordingly the Company proposes to partially repay the said loan by selling the agricultural land held in the name of the Company.
9.	If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to	Not Applicable



	make or give loans, inter-corporate deposits, advances, or investments, <ul style="list-style-type: none"> <li>• nature of indebtedness;</li> <li>• cost of funds; and</li> <li>• tenure</li> </ul>	
10.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Unsecured loan, repayable on demand at notional interest rate.
11.	The purpose for which the funds were utilized by the Company	Utilized for repayment of loans, working capital requirements, expansion and modification
12.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	The Company has procured a Valuation report from AJVA SP Appraisal Services Pvt Ltd, Independent Valuer in terms of terms of pricing and arm's length criteria.
13.	Justification as to why the RPT is in the interest of the listed entity;	The proposed transactions are in the interest of the business growth of the Company and transaction will help in reducing the loan burden on the Company. The land being transferred is under litigation and as such the marketability of the land is not there. The present transactions are being done at market rate which is in the interest of the Company. Katra Phytochem (India) Private Limited will handle the litigation at its end from the date of transfer of the Land with should result in savings in the legal expenses.
14.	A copy of the valuation or other external party report, if any such report has been relied upon;	Valuation report is uploaded on the website of the Company. The same can be accessed <a href="https://www.keralaayurveda.biz/investor-relationships">https://www.keralaayurveda.biz/investor-relationships</a>
15.	Percentage of the counter party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	The transaction is a one-time transaction.
16.	Any other information that may be relevant	N.A.

#### Item No.9 Special Resolution.

The Company had availed an unsecured loan of Rs. 19,24,96,646.22/- from Katra Phytochem (India) Private Limited. The Board in its Board Meeting held on 31<sup>st</sup> August 2023 had approved the sale of land situated at Sy. No. 7/2 at Naganayakanakote, Anugondanahalli Hobli, Hoskote Taluk, Bangalore District having an area of 2.85 Acres (11,534 Sqm; 1,24,147 Sqft) to Katra Phytochem (India) Private Limited, in order to partially adjust the said loan amount. The land proposed to be sold is vacant and unused land and is being sold along with easement rights for access of the land. A valuation report has been procured by AJVA SP Appraisal Services Pvt Ltd, an external independent valuer. Accordingly, the land is being sold at market value at the price of Rs. 8,14,00,000.

ANNEXURE PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATION S AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, SHOWING INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:

Name of Director	Mr. Ramesh Vangal	Dr. K. Anil Kumar
Designation /Category	Chairman, Non-Executive Director	Executive Director designated as Whole-time Director
DIN	00064018	0226353
Date of the first appointment at the Board	02.09.2006	28.06.2006
Date of Birth/Age	28.07.1954/69 Years	13.07.1954/69 years
Qualification	Engineering degree from IIT, Mumbai MBA from London Business School	Bachelor of Ayurvedic Medicines
Nature of expertise in specific functional areas	Experienced and successful professional with demonstrated leadership in promoting and growing businesses with over 35 years of experience. Founder and Chairman of the Scandent Group and Katra Group. He was Chairman of Seagram Asia Pacific and President, Asia Pacific for PepsiCO Foods and a member of PepsiCo's Worldwide Executive Council. He also served the Board of Infosys Technologies Limited.	Dr.K.Anilkumar, Executive Director of Kerala Ayurveda Ltd consolidated the family business of Ayurveda product manufacturing, clinics and hospitals and took it to the main stream of Ayurveda Industry. Expanded and established the business on Health Care Segment, Research & Development, Sales & Marketing, Academy etc in the name of Kerala Ayurveda Pharmacy Limited (KAPL) and transformed it into a public listed company under Bombay and Cochin Stock Exchanges, now known as Kerala Ayurveda Limited. <ul style="list-style-type: none"> <li>□ Former Faculty of Ayurveda - Kerala University of Health Sciences</li> <li>□ Recipient of Outstanding Entrepreneurship Award from KSIDC (Govt of Kerala) on the occasion of their Golden Jubilee Celebrations.</li> <li>□ Former Vice Chairman CARE Keralam (Consortium of Kerala Ayurveda Industry)</li> <li>□ Vice President (South Region) of Ayurveda Drug Manufacturers Association (ADMA)</li> <li>□ Former President- Ayurveda Medical Association of India (AMAI)- largest association of Ayurveda Doctors – for 10 years</li> <li>□ Member -Pharmacopeia commission for Indian Medicine and Homoeopathy-AYUSH Govt of India.</li> <li>□ Former member of CCIM (Central Council of Indian Medicines Dept of Ayush)</li> <li>□ Executive Member-Ayurvedic Medicine Manufacturers Organization of India (AMMOI)</li> <li>□ Faculty of Social Science – CUSAT Kochi.</li> <li>□ National Task force for Ayush- Co chairs (Expert Ayurveda) ASSOCHAM.</li> </ul>
Directorship in other Companies	1. MASON AND SUMMERS LEISURE PVT LTD 2. MASON AND SUMMERS MARKETING SERVICE PVT LTD 3. MASON AND SUMMERS ALCOBEV PVT LTD 4. KATRA HOLDING PVT LTD 5. SEGROW BIO-TECHNICS (INDIA) PVT LTD	KAL AYURVEDA RESEARCH & EDUCATION FOUNDATION



	6. GLOBAL AGRI SYSTEM PVT LTD  7. GLOBAL NUTRIFOOD PVT LTD  8. AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT LTD  9. KATRA WILHELMSEN LOGISTICS PVT LTD  10. KATRA PHYTOCHEM (INDIA) PVT LTD  11. ARUDRAMA DEVELOPMENTS PVT LTD  12. KATRA VIRAT PVT LTD  13. HINDUSTAN AGRI DRONES AND SPACEX LTD	
Memberships / Chairmanships of committees of other companies as on date of this Notice	KAL -Nomination & Remuneration Committee (Member)	KAL - Stakeholders Relationship Committee (Member)
Name of listed entities from which the person has resigned in the past three years	NIL	NIL
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company	NIL	NIL
Shareholding in the Company (equity shares of Rs. 10 each)	NIL	NIL
Terms and Conditions of appointment / reappointment	Re-appointment as a Non-Executive, Non-Independent Director under sec 152(6) of Companies Act 2013	Re-appointment as Whole-time Director
Remuneration Sought to be paid	NIL	As set out in the explanatory Statement

For other details such as the number of meetings of the Board attended during FY 2022-23, remuneration last drawn in FY 2022-23 by Dr. K. Anilkumar, please refer to the corporate governance report which is a part of this Integrated Annual Report.

The profile of the Directors is available on the Company's website at [www.keralaayurveda.biz](http://www.keralaayurveda.biz)

**ANNEXURE A**

**Pre-issue and Post Preferential Issue Shareholding pattern:**

S No	Category	Pre-Issue Shareholding Pattern as on 25th August 2023		Post-Issue Shareholding Pattern (adjusted for preferential allotment)	
A	Promoter Shareholding				
1	Indian Promoters				
	Individuals / HUF	0	0.00	0	0.00
	Bodies Corporate	0	0.00	555000	4.995
	<b>Sub Total of Indian Promoters</b>	<b>0</b>	<b>0.00</b>	<b>555000</b>	<b>4.995</b>
2	Foreign Promoters				
	Individuals / HUF	0	0.00	0	0.00
	Bodies Corporate	6493435	61.52	6493435	58.44
	<b>Sub Total of Foreign Promoters</b>	<b>6493435</b>	<b>61.52</b>	<b>6493435</b>	<b>58.44</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>6493435</b>	<b>61.52</b>	<b>7048435</b>	<b>63.44</b>
B	Public Shareholding				
	Institutions (Domestic)				
	Mutual Funds/UTI	2976	0.03	2976	0.03
	Banks	1709	0.02	1709	0.02
	Directors & Relatives ( Excluding Independent Directors & Nominee Directors)	231282	2.19	231282	2.08
	Key Managerial Personnel	110	0.00	110	0.00
	Resident Individuals holding Nominal Share Capital upto Rs.2 Lakhs	1800994	17.06	1800994	16.21
	Resident Individual holding Nominal Share Capital in excess of Rs.2 Lakhs	1037013	9.82	1037013	9.33
	Non Resident Indians	767671	7.27	767671	6.91
	Foreign Companies	25737	0.24	25737	0.23
	Bodies Corporate	111068	1.05	111068	1.00
	Any other (Specify)				
	HUF	80256	0.76	80256	0.72
	Limited Liability	469	0.00	469	0.00
	Margin Trading Account	2950	0.03	2950	0.03
	<b>Total Public Shareholding</b>	<b>4062235</b>	<b>38.48</b>	<b>4062235</b>	<b>36.56</b>
	<b>Grand Total(A+B)</b>	<b>10555670</b>	<b>100.00</b>	<b>11110670</b>	<b>100.00</b>

**By Order of the Board of Directors**  
**For Kerala Ayurveda Limited**  
**Sd/ -**

**Place: Bengaluru**

**Date: 31<sup>st</sup> August, 2023**

**Jyothi Gulecha**  
**Company Secretary**



**BOARD'S REPORT**

To,

The Members

Your Directors' have the pleasure in presenting the 31<sup>st</sup> Annual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31st March, 2023.

**FINANCIAL RESULTS**

The Company's financial performance during the year 2022-23 as compared to the previous year 2021-22 is summarized below:

(In Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2022-23	2021-22	2022-23
Product Revenues	4993.56	5311.73	5307.72	5703.02
Service Revenues & Other Income	616.84	1024.16	2762.25	3666.97
<b>Gross Income</b>	<b>5610.40</b>	<b>6335.89</b>	<b>8069.97</b>	<b>9369.99</b>
Less: VAT & Excise Duty	408.09	417.49	408.09	417.49
<b>Net Income from Sales/Services</b>	<b>5202.31</b>	<b>5918.40</b>	<b>7661.88</b>	<b>8952.5</b>
<b>Profit before Interest, Depreciation &amp; Tax (EBITDA)</b>	<b>788.92</b>	<b>461.85</b>	<b>972.96</b>	<b>253.57</b>
Profit before extraordinary and Prior items and tax	123.47	(46.18)	200.79	(339.38)
Extra Ordinary items	0	0	79.68	0
Prior Period Items	0	283.48	0	283.48
Profit Before Tax	123.47	237.30	280.47	(55.90)
<b>Net Profit/Loss after tax</b>	<b>88.95</b>	<b>289.07</b>	<b>239.35</b>	<b>(42.80)</b>
Minority interest in Profit	0	0	3.18	47.25
Other Comprehensive Income	34.46	36.66	34.46	36.66
<b>Net Consolidated Profit/Loss</b>	<b>123.42</b>	<b>325.73</b>	<b>270.63</b>	<b>(53.39)</b>
Loss Brought forward from previous year	(1260.00)	(1136.59)	(1923.77)	(1653.14)
Loss Carried to the Balance Sheet	(1136.58)	(810.86)	(1653.14)	(1706.53)

#### REVIEW OF OPERATIONS

During the Financial Year under review, the operational results ended with a loss of Rs. 46.18 Lakhs against a profit of Rs.123.47 Lakhs during the previous year. The Net revenue of the company stands at Rs.6335.89 lakhs as against Rs.5610.4 Lakhs during the previous year, showing an increase of 12.93%. The consolidated net revenue including its subsidiaries for the current year is Rs. 9369.99 Lakhs against Rs. 8069.97 Lakhs during the previous year.

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements related and the date of this report except as mentioned in the Financials.

#### SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Your company has seven subsidiaries including one step down subsidiary as on 31<sup>st</sup> March, 2022 and the details are as under:

SL No	Name	Location	% of holding
1.	Ayurvedagram Heritage Wellness Centre Pvt Ltd.	India	74
2.	Ayurvedic Academy Inc.	USA	100
3.	Suveda Inc. (formerly known as Nutraveda Inc.)	USA	100
4.	Ayu Natural Medicine Clinic, PS	USA	100
5.	CMS Katra Holdings LLC	USA	81.67
6.	CMS Katra Nursing LLC	USA	100*
7.	Nutraveda Pte Ltd.	Singapore	100

\*CMS Katra Holdings LLC holds 100% shareholding in CMS Katra Nursing LLC; hence CMS Katra Nursing LLC is a step-down subsidiary of your company.

#### HIGHLIGHTS ON PERFORMANCE OF SUBSIDIARIES

##### Indian Subsidiary

During the year under review, M/s. Ayurvedagram Heritage Wellness Centre Private Limited. has achieved a turnover of Rs.904.30 lakhs as against Rs.529.98 lakhs in the previous financial year. Accordingly, the EBITDA of the company is Rs.288.25 lakhs against Rs. 135.9 lakhs in the previous year.

##### Overseas Subsidiaries

The combined turnover of overseas subsidiaries is Rs.2246.34 Lakhs as compared to Rs. 2118.31 Lakhs in the previous year. The performance of each of the subsidiaries of the Company is mentioned below:

##### **a) Ayurvedic Academy Inc**

The turnover of Ayurveda Academy Inc during the financial year 2022-23 is Rs.1815.84 Lakhs as compared Rs.1705.2 Lakhs in the previous year. The loss of the subsidiary after taxes was Rs. 33.73 Lakhs as compared to profit of Rs. 467 Lakhs in the previous year.

##### **b) Suveda Inc. (formerly known as Nutraveda Inc.)**

The turnover of Suveda Inc. during the financial year 2022-23 is Rs. 413.1 Lakhs as compared to Rs. 430.50 Lakhs in the previous year. The subsidiary incurred a loss of Rs.199.85 Lakhs as compared to a loss of Rs.182.85 in the previous year.



**c) Ayu Natural Medicine Clinic, PS, USA**

The turnover of Ayu Natural Medicine Clinic, P S, USA is nil during the financial year 2022-23 and in the previous year. The subsidiary has not earned any profit in the financial year 2022-23 and in the previous year.

**d) CMS Katra Holdings LLC, USA**

The turnover of CMS Katra Holdings LLC, USA is nil during the financial year 2022-23 and in the previous year. The subsidiary has not earned any profit in the financial year 2022-23 and in the previous year.

**e) CMS Katra Nursing LLC, USA**

The turnover of CMS Katra Holdings LLC, USA is nil during the financial year 2022-23 and in the previous year. The subsidiary has not earned any profit in the financial year 2022-23 and in the previous year.

**f) Nutraveda Pte Ltd**

The turnover of Nutraveda Pte Ltd is nil during the financial year 2022-23 and in the previous year. The subsidiary has not earned any profit in the financial year 2022-23 and in the previous year.

**CONSOLIDATED FINANCIAL STATEMENTS**

As per Rule 8 of Companies (Accounts) Amendments Rules, 2016, a report on the highlights of performance of subsidiaries, associates and joint venture companies and their contributions to the overall performance of the company during the period under report is attached as **Annexure-1**. Any member intending to have a copy of the Balance sheet and other financial statement of these Companies shall be made available on the website of the Company [www.keralaayurveda.biz/investor-relationships/under the "Investor" Tab](http://www.keralaayurveda.biz/investor-relationships/under the 'Investor' Tab). It shall also be kept for inspection during business hours by any shareholder in the registered office of the Company and the respective offices of its subsidiary companies.

**COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES DURING THE YEAR**

During the financial year ended 31st March, 2023, no entity has become or ceased to be a subsidiary, joint venture or associate of the Company.

**DIVIDEND**

With a view to conserve the resources for future business requirements of the Company, the Board of Directors decided not to recommend any dividend on equity shares for the year ended 31<sup>st</sup> March, 2023.

**RESERVES**

The company does not propose transferring any amount to reserves during the period. At the end of the year, the equity of the company is Rs.397.69 Lakhs as against Rs.71.96 Lakhs of the previous year. During the year the company had a surplus of Rs.325.73 Lakhs.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There is no change in the nature of business of the Company during the financial year ended 31st March, 2023

**DIRECTORS & KEY MANAGERIAL PERSONS:**

**Appointment / Reappointment / Resignation of Directors/Retirement of Directors**

**Resignation of Directors**

None of the Directors resigned during the FY 2022-23.

**Retirement by rotation**

Mr. Ramesh Vangal (DIN: ABOPV1073D), Director will retire by rotation at the ensuing Annual General Meeting of the company and being eligible has offered himself for re-appointment.

A brief resume of the aforesaid Director and other information have been detailed in the notice convening the Annual General Meeting of the Company. Appropriate resolution for his re-appointment is being placed for approval of the members at the ensuing Annual General Meeting.

**Appointment and resignation of Key Managerial Personnel**

Ms. Jyothi Gulecha, Membership NoA 63350 is appointed as Company Secretary/Compliance officer with effect from 14<sup>th</sup> February, 2023.

**MEETINGS OF THE BOARD OF DIRECTORS**

An annual calendar of Board and Committee Meetings planned during the year were prepared and circulated in advance to the Directors. During the year Five Board Meetings, Five Audit Committee Meetings, One Nomination Remuneration Committee meeting and Three Stakeholders Relationship Committee meetings were convened and held. The details of meeting & attendance are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 and pursuant to the relaxations provided. During the financial year 2022-23, the Board of Directors of the Company met on the following dates- 30<sup>th</sup> May, 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November 2022 and 14<sup>th</sup> Feb 2023.

Further, separate meeting of Independent Directors of the Company was held on 14<sup>th</sup> February, 2023 where the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and clause 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed.

**DECLARATION BY INDEPENDENT DIRECTOR(S)**

All the Independent Directors have furnished declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the Rules made there under. In the opinion of the Board, they fulfill the conditions of independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

**FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS**

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company and business strategy. The Company has carried out various programmes to familiarize Independent Directors with the Company, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

Details of the familiarization programme for Independent Directors are explained in the Corporate Governance Report.

**DETAILS OF EMPLOYEES AND RELATED DISCLOSURES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013**

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary. The said



information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company up to the date of the 30th Annual General Meeting.

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure 3 and forms part of this Report as **Annexure 2**

#### **BOARD EVALUATION**

Pursuant to the provisions of The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the working of its committees. The way the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

As required under Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company has approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3). The broad parameters covered under the Policy are Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel and Senior Management and the Remuneration of other employees. The Company's Policy furnished as **Annexure 3** forms part of this Report. The policy is also uploaded on the website of the Company and is reproduced on the website of the Company.

#### **PARTICULARS OF AUDITORS:**

##### **1. Statutory Auditors**

M/s. Maharaj Rajan & Mathew. (Firm Registration No. 01932S), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the AGM held on 24<sup>th</sup> September, 2019 for a term of five consecutive years from the conclusion of the 27<sup>th</sup> Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting.

The Report given by the Statutory Auditors on the standalone financial statements of the Company and the consolidated financial statements of the Company for the Financial year ended March 31, 2023 forms part of this Annual Report. There have been 4 observations/remarks given by the Statutory Auditors in their Report as detailed below. (1) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets. The returns or statements filed by the company with Kotak Mahindra Bank for the 4<sup>th</sup> quarter are not in agreement with the books of accounts of the company - **We Normally submit report to Bank on 10<sup>th</sup> of every month before the internal auditing commenced.** (2) In our opinion and according to the information and explanations given to us, the company has defaulted in the repayment of loans due to ECL Finance LTD - **Due to covid, the cash flow was inadequate to manage the entire operational requirements. However the company managed to pay off the same in April & May 2022.** (3) Undisputed statutory dues including GST, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, undisputed amounts of TDS payable outstanding at the year-end for a period of more than six months from the date they became payable is Rs. 38.34 Lakhs **Actually company has paid all the statutory dues after the Covid 19 Pandemic, but there was a delay in repayment of ECL loan and the TDS payable outstanding pertains to this payment.** (4) The company has not incurred cash losses during the financial year. Cash losses in the immediately preceding financial year is Rs.576.09 Lakhs- **Cash losses in the immediately preceding financial year is mainly due to Covid 19 pandemic and the company has no cash losses during this financial year.**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed there under.

##### **2. Secretarial Auditors**

M/s. SVJS & Associates, a firm of practicing Company Secretaries ("Secretarial Auditors"), carried out the secretarial audit of compliance with the Act and the rules made there under, the Listing Regulations and other applicable regulations as prescribed by SEBI, Foreign Exchange Management Act, 1999 and other laws specifically applicable to the Company. The Secretarial Audit Report in **Form MR-3** for the financial year under review is attached to this Report as **Annexure 4**. The said report does not contain any qualification, reservation or adverse mark or disclaimer made by the Secretarial Auditors, except

that (1) There was delay in Disclosure of related party transactions which is to be made within fifteen days from the date of publication of its standalone and consolidated financial results.

(2) Company did not have a compliance officer during the period 29/09/2022 to 13/02/2023, Company has appointed Mrs. Jyothi Gulecha as the Compliance Officer with effect from 14/02/2023.

(3) The Company has an unlisted material subsidiary on the Board of which Independent Director of Kerala Ayurveda is not a director. An Independent Director Mr. S Krishnamurthy of the Company has been appointed as a director on the Board of material subsidiary on 14.11.2022.

(4) The requirement of having half of the board of directors of the listed entity as independent directors was not met during the period. However, the company has appointed one more Independent Director on its board of directors on 28.06.2022 thus complying with the requirement. - The company appointed Mr. Rajesh Sharma one more Independent Director on 28.6.2022 and complied with the requirement.

(5) The Notice of Annual General Meeting was sent on 06.09.2022 for the meeting held on 27.09.2022 which is not 21 clear days in advance of the meeting. Which is a Non-compliance with the Sec 118(10) of Companies Act, 2013 and Secretarial Standards.

The Secretarial Audit Report of Ayurvedagram Heritage Wellness Centre Private Limited, the material subsidiary of the Company is annexed to its Annual Report. The report is uploaded on the website of the Company.

#### **Internal Audit and Internal Financial Controls with reference to the financial statements**

The Company appointed Mr. Biju George, Chartered Accountant, as its Internal Auditor. The Company's internal control systems commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow-up actions thereon are reported to the Audit Committee.

#### **3. Cost Auditors**

According to Companies (Cost Records and Audit) Rules, 2014, your Company is required to get the Cost Audit done for the financial year 2022-23 and the Company has maintained cost records for the financial year 2022-23.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism/Whistle Blower Policy for directors and employees to report genuine concerns has been established. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company at [www.keralaayurveda.biz/investor-relationships/](http://www.keralaayurveda.biz/investor-relationships/) under 'Investor Section'.

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers any unethical and improper actions or malpractices and events which have taken place/suspected to take place:

As per the policy all Protected Disclosures should be addressed to the Vigilance Officer / Company Secretary or to the Chairman of the Audit Committee in exceptional cases.

#### **RISK MANAGEMENT POLICY**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Major elements of risk/threats for Ayurveda Industry are regulatory concerns, consumer perceptions and competition. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Board of Directors has adopted a risk management policy for the company outlining the parameters of identification, assessment, monitoring and mitigation of various risks which is available on the website of the company.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future as on 31<sup>st</sup> March, 2023.



#### **CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility provisions of the Companies Act, 2013 are not applicable to the company and the same is being done as a part of the corporate ethos of the Company. However, your company always had a deep sense of responsibility towards the community and has conducted bone care camps, diabetes camps and BMD Camps.

#### **DEPOSITS**

In terms of the provisions of Section 73 of the Companies Act, 2013, the company has not accepted any deposits from the public during the financial year under review and there are no outstanding fixed deposits from the public as on 31<sup>st</sup> March 2023.

#### **CORPORATE GOVERNANCE**

Your company has complied with corporate governance norms as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed report on Corporate Governance in line with requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report. A certificate from Statutory Auditors confirming the compliance of Corporate Governance is also attached to this report.

#### **AUDIT COMMITTEE**

The details pertaining to composition and meetings of the Audit Committee are included in the report on corporate Governance.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed review of the operations, performance and future outlook of your company and its businesses is given in the Management Discussion and Analysis Report, which forms part of this report.

#### **EXTRACT OF ANNUAL RETURN**

As required under Section 92(3) of the Companies Act, 2013, an extract of Annual Return is uploaded on the website of the Company at <https://www.keralaayurveda.biz/investor-relationships>

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The details of loans and Investments and guarantees covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statements forming a part of Annual Report.

Current borrowings of the company are compliant with Section 180(1)(c) of the Companies Act, 2013

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contracts or arrangements entered into by the Company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under that proviso attached as **Annexure 6** in **Form AOC-2** forms an integral part of this report. All related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained before the commencement of the new financial year, for the transactions which are repetitive in nature and for the transactions which are not foreseen.

In line with the requirements of the applicable laws, the Company has formulated a policy on related party transactions which is uploaded on the website of the Company at: <https://www.keralaayurveda.biz/investor-relationships>.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(3)(c) of the Companies Act, 2013, in relation to financial statements of the company, the Board of Directors state that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The directors have prepared the annual accounts on a going concern basis.
- e. The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. As required under law, an Internal Compliance Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassment at the workplace.

During the year, no complaint of sexual harassment has been received by the Committee.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgoes required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 7** that forms part of this Report.

#### **HUMAN RESOURCES**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention, and development of talent on an ongoing basis. A number of programs that provide focus on people's attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.



#### **RESEARCH AND DEVELOPMENT**

The Research & Development centre of KAL is recognized R&D Lab by DSIR, Ministry of Science and Technology, Govt. of India. This recognition was obtained in 1999 and it was renewed till 2025.

Our new product range further increased revenue of 25 lakhs in 2022-23 year with the help of products Evakalp & Thyrokalp launched in 2021-22. Further clinical trials are being done for Arishtam shots, 4 of them already completed and submitted for license. These shots will be launched in US market, Amazon, and other E commerce markets in current year. We have envisaged extending our product range like Myaxyl spray & Organic products by outsourcing with market leaders.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying in unpaid or unclaimed dividends for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF) under Section 124 of the Companies Act, 2013.

#### **DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

There are no shares in the DEMAT suspense account/unclaimed suspense account.

#### **LISTING WITH STOCK EXCHANGES**

The equity shares of the company are listed on Bombay Stock Exchange and the Company confirms that it has paid the Annual Listing Fees for the year 2021-22 to BSE Limited.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year under review, the Company is following the Secretarial Standards, i.e., SS-1 and SS-2 relating to "Meetings of the Board of Directors" and "General Meetings" respectively.

#### **ACKNOWLEDGMENTS**

The Board places on record its appreciation for the continued patronage, support and co-operation extended by its shareholders, customers, bankers and all Government and statutory agencies with whose help, cooperation, and hard work the Company was able to achieve the results. Your directors would further like to record appreciation to the efforts of all the employees for their valuable contribution to the Company.

Date: 10<sup>th</sup> August, 2023

By Order of the Board of Directors

For Kerala Ayurveda Limited

Sd/-

Ramesh Vangal

Chairman (DIN- 00064018)

**FORM AOC-1**

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures:

(Information in respect of each subsidiary to be presented with amounts in Lakhs.)

	Subsidiary 1	Subsidiary 2	Subsidiary 3	Subsidiary 4	Subsidiary 5	Subsidiary 6	Subsidiary 7
Name of the subsidiary	Ayurvedagram Heritage Wellness Centre Pvt Ltd.	Ayurvedic Academy Inc	Suveda Inc. (formerly known as Nutraveda Inc.)	Ayu Natural Medicine Clinic, P S, USA	CMS Katra Holdings LLC USA	CMS Katra Nursing LLC USA	Nutraveda Pte Ltd
The date since when subsidiary was acquired	29.03.2004	04.05.2008	04.05.2008	04.05.2008	09.10.2008	12.10.2008	24.06.2009
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	US \$ 1US\$= 81.95	US \$ 1US\$= 81.95	US \$ 1US\$= 81.95	US \$ 1US\$= 81.95	US \$ 1US\$= 81.95	SGD 1SGD=55.35
Share capital	225.00	NIL	NIL	NIL	0.75	7.52	3.42
Reserves & Surplus	397.7	237.75	(1244.58)	(1013.49)	(379.72)	(931.90)	0
Total Assets	1430.00	2813.36	2528.20	0.03	1088.08	0.61	9.37
Total Liabilities	1430.00	2813.36	2528.20	0.03	1088.08	0.61	9.37
Investments	0	0	0	0	0	0	0
Turnover	904.29	1815.84	430.50	0	0	0	0



Profit before taxation	220.39	(33.73)	(199.85)	(83.47)	(31.28)	(76.76)	0
Provision for taxation	77.35	0	0	0	0	0	0
Profit after taxation	181.71	(33.73)	(199.85)	(83.47)	(31.28)	(76.76)	0
Proposed Dividend	0	0	0	0	0	0	0
Extent of shareholding (in percentage)	74	100	100	100	81.67	100	100

**Name of Subsidiaries which are yet to commence operations:** Nutraveda Pte Ltd

Name of subsidiaries which have been liquidated or sold during the year: NIL.

**ANNEXURE 2**

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

SL	Requirements	Disclosure
1	The ratio of remuneration of each director to the median remuneration of the employees for the financial year	Employee/ WTD 1:9.7
2	The percentage increase in remuneration of each Director, CFO, CS in the Financial Year	ED-0%, CS-0%, CFO-0%
3	The percentage increase in the median remuneration of employees in the financial year	29%
4	The number of permanent employees on the rolls of the Company	265
5	Average percentile increase already made in the salaries of employees other than the managerial personnel 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	0% There are no exceptional circumstances for the increase.
6	Affirmation that the remuneration is as per the remuneration policy	Yes

Note: The Particulars of top ten employees in terms of remuneration drawn as required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 shall be provided to the shareholders on request.

During FY 2022-23, no employee was in receipt of remuneration of more than rupees One Crore and Two lakhs in aggregate. No employee who was employed for part of the year was in receipt of remuneration of more than Rupees Eight Lakhs and Fifty Thousand Per month. No employee employed throughout the financial year or part thereof, was in receipt of remuneration which in the aggregate is in excess of that drawn by the whole time director and does not hold by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

**By order of the Board of Directors  
For Kerala Ayurveda Limited**

Sd/ -

RAMESH VANGAL

Chairman (DIN-00064018)



**ANNEXURE – 3**

**NOMINATION AND REMUNERATION POLICY OF KERALA AYURVEDA LIMITED**

**PREAMBLE**

Section 178 of the Companies Act, 2013 and the provisions of the Chapter IV, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, to:

- A. Devise a policy on Board diversity;
- B. Identify 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;
- C. Formulate 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;
- D. Formulate the criteria for evaluation of Independent Directors and the Board and carry out evaluation of every director's performance;
- E. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Accordingly, in adherence to the above said requirements the Nomination and Remuneration Committee of the Board of Directors of **Kerala Ayurveda Limited(KAL)** herein below recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below.

**A. POLICY ON BOARD DIVERSITY**

**A.1.Purpose of this Policy:**

This Policy on Board Diversity sets out the Company's approach to ensuring adequate diversity in its Board of Directors (the "Board") and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board.

**A.2.Scope of Application:**

The aforesaid Policy applies to the Board of Kerala Ayurveda Limited (the "Company").

**A.3.Policy Statement:**

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced development.

For appointments of persons to office of directors and deciding composition of the Board, the Nomination and Remuneration Committee (NRC Committee) and the Board shall also have due regard to this policy on Board diversity.

All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

The Board of directors of the Company shall have an optimum combination of executive and non-executive directors. At a minimum, the Board of the Company shall consist of at least one woman Director.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to age, educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard for the benefits of diversity on the Board. The Board's composition (including gender, age, length of service) will be disclosed in the Corporate Governance Report annually.

**B. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

**B.1.Appointment Criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**B.2.Term/Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person): The Company shall appoint or reappoint any person as its Managerial Person for a term not exceeding five years at a time. No appointment shall be made earlier than one year before the expiry of term.
2. Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
3. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
4. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Wholetime Director of a listed company.

**B.3.Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

**B.3.Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to

retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**C. REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**  
**REMUNERATION POLICY**

**C.1.General:**



The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.

Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

#### C.2.REMUNERATION TO MANAGERIAL PERSON, KMP AND SENIOR MANGEMENT:

1. Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders or /and Central Government, wherever required.
2. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
3. Provisions for excess remuneration: If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

*Senior Management: "senior management" shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.*

#### C.3.REMUNERATION TO NON-EXECUTIVE/INDEPENDENT DIRECTOR

1. Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
2. Sitting Fees: The Non Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as decided by the board from time to time. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. Further, the Company may pay or reimburse to Non Executive/ Independent Director such fair and reasonable expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for attending Board/ Committee meetings.
4. Limit of Remuneration /Commission: Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

5. Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

**C.4.REMUNERATION TO OTHER EMPLOYEES**

Apart from the Directors, KMP's and senior Management, the remuneration for rest of the employee is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexities and local market conditions.

Decisions on annual increment shall be made based on the annual appraisal carries out by HODs of various departments.

**D. EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD**

**1. INDEPENDENT DIRECTORS**

The Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- a) act objectively and constructively while exercising their duties;
- b) objectively evaluate Board's performance, rendering independent, unbiased opinion
- c) exercise their responsibilities in a bona fide manner in the interest of the company;
- d) strive to Attend and participate in the Meetings.
- e) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- f) refrain from any action that would lead to loss of his independence and inform the Board immediately when they lose their independence,
- g) assist the company in implementing the best corporate governance practices.
- h) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- i) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

Apart from the above criterion below-mentioned indicative list of factors may be evaluated as a part of this exercise:

- j) Participation and contribution,
- k) Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- l) Effective deployment of knowledge and expertise,
- m) Effective management of relationship with stakeholders,
- n) Integrity and maintenance of confidentiality,
- o) Independence of behavior and judgment, and Impact and influence.

Also, once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board to organise the evaluation process and act on its outcome.

**2. NON-INDEPENDENT DIRECTORS/EXECUTIVE DIRECTORS**

The Executive Directors and Non independent directors shall be evaluated on the basis of criteria given to them by the board from time to time and their performance will also be reviewed by Independent directors of the Company in their meeting as per Schedule IV of the Companies Act, 2013.

**By order of the Board of Directors  
For Kerala Ayurveda Limited**

Sd/ -

**Ramesh Vangal**

**Chairman (DIN 00064018)**

Date: 10<sup>th</sup> August, 2023



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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

**KERALA AYURVEDA LIMITED**

VII/415, Nedumbaserry,

Athani P.O, Aluva,

Ernakulam- 683585, Kerala

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KERALA AYURVEDA LIMITED [CIN: L24233KL1992PLC006592]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2023 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) 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;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable;
  - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable.
- (vi) As informed to us, the following other laws are specifically applicable to the Company:
  - 1. The Drugs and Cosmetics Act, 1940 and The Drugs and Cosmetics Rules, 1945
  - 2. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955
  - 3. The Medicinal and Toilet Preparations (Excise Duties) Act, 1955
  - 4. Food Safety And Standards Act, 2006     1
  - 5. Kerala Spintuous Preparations (Control) Rules, 1969

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

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

*Disclosure of related party transactions is not made within fifteen days from the date of publication of its standalone and consolidated financial results in accordance with Regulation 23 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*As per proviso to Regulation 17 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 where the regular non executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors. As on 27.06.2022, out of the 7 Directors on board, the company had only 3 Independent Directors.*

*Company did not have a compliance officer during the period from 29/09/2022 to 13/02/2023 in accordance with Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*Pursuant to the Regulation 7 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent. However the Compliance certificate under regulation 7(3) for the Financial Year ended 31/03/2023 was not signed by the Compliance Officer of the Company, instead it is signed by Executive Director.*

*The Company has an unlisted material subsidiary on the board of which Independent Director of Kerala Ayurveda is not a Director upto 13.11.2022 in accordance with Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*The notice of Annual General Meeting was sent on 06.09.2022 for the meeting held on 27.09.2022 which is not 21 clear days in advance of the meeting in accordance with Section 101 (1) of the Companies Act, 2013.*

*An advertisement containing prescribed details is published but not twenty one days before the date of the Annual General Meeting in accordance with Rule 20(4)(v) of Companies (Management and Administration) Rules, 2014*

*The office of the Chief Financial Officer remained vacant from 30.11.2021. The vacancy should have been filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy and the aforesaid 6-month ended on 31.05.2022 in accordance with Section 203 (4) of the Companies Act, 2013. The Vacancy was filled by the Board on 28.06.2022.*

**We further report that:**

*Subject to the aforesaid, 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.*

*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.*

*All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.*

**We 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.



We further report that during the audit period there were no instances of:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity;
- ii. Redemption / buy-back of securities;
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction;
- v. Foreign technical collaborations.

This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.

**Peer Review Certificate No.648 /2019**

**UDIN:** F003067E000803284

**For SVJS & Associates**  
**Company Secretaries**

**CS.Vincent P. D.**  
**Managing Partner**  
**FCS: 3067**  
**CP No: 7940**

Kochi  
10.08.2023

**ANNEXURE A**

**ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE**

To  
The Members  
**KERALA AYURVEDA LIMITED**  
VII/415, Nedumbaserry, Athani P.O, Aluva,  
Ernakulam- 683585, Kerala

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31<sup>st</sup> March 2023 but before the issue of the Report.

- 7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.
- 8. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Peer Review Certificate No.648 /2019**

**UDIN:** F003067E000803284

**For SVJS & Associates**  
**Company Secretaries**

**CS.Vincent P. D.**  
**Managing Partner**  
**FCS: 3067**  
**CP No: 7940**

Kochi  
10.08.2023





FORM No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023**

*[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 Board of Directors,  
Ayurvedagram Heritage Wellness Centre Private Limited  
CIN: U74140KA2003PTC031511  
Regd. Office: Hemmandanahalli, Samethanalli Post,  
Whitefield, Bangalore-560067, Karnataka.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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, we hereby report that in our 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:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2023 according to the provisions of:



**BMP & Co. LLP**

Regd Office : # 4272, Sapthagiri, 2nd Floor, Vivekananda Park Road, Near Seetha Circle, Girinagar, Bangalore - 560 085.  
☎ : 080 26728442, ✉ : biswajit@bmpandco.com, Website : [www.bmpandco.com](http://www.bmpandco.com), LLPIN : AAI-4194



- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of The Companies Act, 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder to the extent of its applicability to an unlisted Company; - To the extent of its applicability to an Unlisted Company.
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder; - To the extent of its applicability to an Unlisted Company.
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); - To the extent of its applicability to an Unlisted Company, which is a subsidiary of Listed Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; - To the extent of its applicability to an Unlisted Company, which is a subsidiary of Listed Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors that took place during the period under review.







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 necessary consent of Board Members have been sought when the meetings have been called at a shorter notice 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. During the period under review, decisions were carried through unanimously and no dissenting views have been recorded.

We further report that based on review of compliance mechanism established by the Company, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

There are 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.

For BMP & Co. LLP,  
Company Secretaries



**Pramod S M**  
Designated Partner  
FCS No: 7834, CP No: 13784  
UDIN: F007834E000776426  
PR No. 736/2020

Place: Bangalore  
Date: 10<sup>th</sup> August 2023



**\*Annexure A\***

To,  
The Members,  
Ayurvedagram Heritage Wellness Centre Private Limited  
CIN: U74140KA2003PTC031511  
Regd. Office: Hemmandanahalli, Samethanalli Post,  
Whitefield, Bangalore Karnataka 560067

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and on the review







of quarterly compliance report by the respective departmental heads/Company Secretary/Director of the Company, in our opinion adequate systems, process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.

8. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP,  
Company Secretaries



**Pramod S M**

Designated Partner

FCS No: 7834, CP No: 13784

UDIN: F007834E000776426

PR No. 736/2020

Place: Bangalore

Date: 10<sup>th</sup> August 2023

ANNEXURE – 6

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Amendments Rules, 2016.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Ayurvedagram Heritage Wellness Centre Pvt. Ltd., Subsidiary company
2.	Nature of contracts/arrangements/transaction	Sale of Ayurvedic Medicines
3.	Duration of the contracts/arrangements/transaction	01.04.2020 to 31.03.2023
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	15% discount on the MRP of Company Products
5.	Justification for entering into such contracts or arrangements or transactions	Being a subsidiary of the company, KAL is offering such discount
6.	Date of approval by the Board	14 <sup>th</sup> August 2020
7.	Amount paid as advances if any	NIL
8.	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	30 <sup>th</sup> September, 2020
9.	Total Value of Transaction during the year	92.67 lakhs



2. Details of contracts or arrangements or transactions at Arm's length basis

Amount in Lacs

SL.No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advances, if any:
1.	All Season Herbs Private Limited - Director's Relative	Purchase of Raw Material and Job Work.	Need Based	13.81	14 <sup>th</sup> February 2021	Nil
2.	Ayurvedagram Heritage Wellness Center Private Limited- Common Director	Sales	Need Based	92.67	14 <sup>th</sup> February 2021	Nil
3.	Ayurvedagram Heritage Wellness Center Private Limited- Common Director	Services rendered.	Need Based	8.38	14 <sup>th</sup> February 2021	Nil
4.	Ayurvedic Academy Inc, USA- Subsidiary	Services rendered	Need Based	88.87	14 <sup>th</sup> February 2021	Nil
5.	S R Pharmaceuticals	Services received	Need Based	0	14 <sup>th</sup> February 2021	Nil
6.	Kerala Ayurveda Research and Education Foundation	Services rendered	Need Based	.30	14 <sup>th</sup> February 2021	Nil
7.	Katra Phytochem (India) Pvt Ltd-Common Director	Sale of goods	Need Based	3.86	14 <sup>th</sup> February 2021	Nil
8.	Katra Phytochem (India) Pvt Ltd-Common Director	Purchase of goods	Need Based	17.82	14 <sup>th</sup> February 2021	Nil
9.	Mason & Summers Leisure Pvt Ltd-Common Director	Services received	Need Based	0	14 <sup>th</sup> February 2021	Nil
10.	Suveda Inc (Nutraveda Inc), USA	Sale of goods	Need Based	61.22	14 <sup>th</sup> February 2021	Nil
11	Suveda Inc (Nutraveda Inc), USA	Services rendered	Need Based	128.63	14 <sup>th</sup> February 2021	Nil

ANNEXURE 7

Information in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Amendment Rules, 2016 and forming part of the Board's Report for the year ended 31.03.2023

A. CONSERVATION OF ENERGY

Conservation of energy		
1	The Steps taken or Impact on conservation of energy	<p>1: Solar panel proposal for 44.52KWp - Techno- Commercial Proposal for Installation of Grid Connected Solar Rooftop/Ground mounted Power Plant - Our HO factory's monthly average power requirement is 140kwp. In the first phase we planned to introduce a 50kw station in our rooftop (PRD SF, Organic roof area). It will help us to save 36000/- in the monthly bill and shut down days can be sold to KSEB via the grid. The project cost is 28Lacs and breakeven 6.5 Years maximum.</p> <p>2: Rainwater harvesting In the summer season we are forced to buy water from outside agencies for our daily use. With rainwater harvesting, we are recharging our wells with rain available in the summer season. The project cost 50K..</p> <p>3: Boiler water- Due to high hardness and Total Dissolved Solids we were forced to add a high amount of chemicals to the Boiler. Water changed from supplier 01 to 02. Now chemical adding % reduced by 50 Reverse Osmosis plant for boiler costs around 1.5Lacs will be introduced shortly.</p> <p>4: The Condensate Water Recovery System which was erected in house has helped to achieve 75-85% recovery; Cost savings is 4 to 7 Lacs/Annum; Make up water consumption will reduce.</p> <p>5: Ambient Air Quality Monitoring, Online stack monitoring, and Sound level monitoring tests are conducted quarterly to maintain Particulate Matter SO<sub>2</sub>, NO<sub>2</sub>, and other pollutants well below the prescribed stipulated standards as per the rules of regulatory authorities</p> <p>6: Replaced the damaged fluorescent and incandescent lights with LED lights.</p> <p>7: Motion sensor introduced in the work area ( If a man is not present Fan/Light will turn off automatically to save power.</p>
2	The Steps taken By the Company for utilizing alternate source of energy	<p>1: No fuel Incinerator built and installed in RDD plant for disposing green waste.</p> <p>2: HO Plant kwath waste disposal- new vendor introduced. They will take waste free of cost and they can use it for fertilizer preparation.</p>



#### B. TECHNOLOGY ABSORPTION, ADAPTATION, AND INNOVATION:

1	The efforts made towards technology absorption	1: New machine erected for Lami tube filling cost around 9 Lacs 2: Lehyam filling machine introduced.
2	The benefits derived like product improvement, cost reduction, product development or import substitution	Our new product range further increased revenue of 25 lakhs in the FY 2022-23 with the help of products Evakalp & Thyrokalp launched in 2021-22.
3	Details of imported technology	During the year, company has not imported any technology.
4	The expenditure incurred on research and development	
a	Capital	0.38
b	Deferred Revenue Expenditure	-
c	Revenue Expenditure	11.58
d	Total	11.96
e	Total Research and Development expenditure as a % of turnover	0.21%

**C. FOREIGN EXCHANGE EARNINGS & OUTGO:**

The details of foreign exchange earnings and outgo are as under: Current Year

1	Foreign Exchange Earnings	131.34 lacs
2	Foreign Exchange Outgo	153.56 lacs

Date: 10/08/2023

By order of the Board of Directors  
For Kerala Ayurveda Limited

Sd/-  
RAMESH VANGAL  
Chairman (DIN-00064018)

REPORT ON CORPORATE GOVERNANCE

The report states compliance with the requirements of the Companies Act, 2013 (the 'Act' ), and Regulation 17 to 27 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') as applicable to the Company as on 31<sup>st</sup> March,2023.

PHILOSOPHY

Kerala Ayurveda Limited (KAL) believes that sound Corporate Governance is inevitable for improving efficiency and growth of the Company. The Company has sound corporate practices and conscience, openness, fairness, professionalism, and accountability which led it to be a great success. The Company is adhering strictly to regulatory frameworks. Honesty, transparency, and intensive communication with stake holders are integral part of our policy. The company is generally in compliance with the Corporate Governance norms as stipulated in Listing regulations.

BOARD OF DIRECTORS

Keeping with the commitment to the Management, the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance from Management of the Company.

COMPOSITION

As per the provisions of the Listing Regulations, the Company has optimum combination of executive and non-executive directors with a woman independent director. The Company has a non-executive Chairman. According to provisions of the Listing Regulations, if the non-executive Chairman is a promoter, at least one half of the Board of the company should consist of independent directors.

As on 31 March 2023 the Board of the Company comprised of Eight directors, of whom three were non executive non independent directors, four were non-executive independent directors and one was executive director. The Board has no institutional nominee directors. More particulars about the directors are mentioned in the 'Directors' Report'.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2022 23, the Board of Directors of the Company met on the following dates- 30<sup>th</sup> May, 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 14<sup>th</sup> February, 2023. The gap between any two meetings is pursuant to the provisions of SEBI and The Companies act, 2013 and relaxations provided.

ATTENDANCE RECORD OF DIRECTORS

Table 1: Composition of the Board and attendance record of directors for FY 2022-23

Name of the Director	Category	No. of Board Meeting entitled attended	No. of Board Meeting attended (out of 4)	Whether attended AGM
Mr. Ramesh Vangal	Chairman, Non-Executive/Promoter Director	4	4	Yes
Mr. Gokul Patnaik	Non-executive / Promoter Director	4	4	Yes
Dr. Kunjupanicker Anilkumar	Wholetime Director, Executive	4	4	Yes
Mr. Subramaniam Krishnamurthy	Non-Executive, Independent	4	4	Yes



Mr. Anand Subramanian	Non-Executive	4	4	Yes
Ms. Shilpa Kiran Gududur	Non-Executive, Independent	4	4	Yes
Mr. Harish Kuttan Menon	Non-Executive, Independent	4	4	Yes
Mr. Rajesh Sharma	Non-Executive, Independent	4	4	Yes

#### **Pecuniary relationship or transactions**

Apart from receiving Directors Sitting Fees, the Non Executive Directors do not have any material pecuniary relationship or transactions with the company, Promoters, Directors, senior managers or subsidiaries.

#### **Opinion of the Board**

It is hereby confirmed that, in the opinion of the Board, the independent directors fulfil the conditions specified in the Listing Regulations, the Act and are independent of the Management of the Company.

Our definition of 'Independence' of directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. The independent directors provide an annual confirmation that they meet the criteria of independence.

Based on the confirmations/ disclosures received from the directors and on evaluation of the relationships disclosed, supported by a certificate from M/s. SVJS & Associates, Practicing Company Secretary, as per the requirement of Regulation 25(8) of the Listing Regulations, the Board confirms that the independent directors fulfil the conditions as specified under Schedule V of the Listing Regulations, 2015, and are independent of the management.

#### **Number of shares and convertible instruments held by non-executive directors**

Mr. Gokul Patnaik, non-executive director of the Company holds 65 Equity shares of the Company.

#### **Non-executive directors' compensation**

During FY 2022-23, sitting fees of Rs. 25,000/- per meeting was paid to non-executive independent directors for every meeting of the Board and Rs. 15,000/- per meeting was paid for every meeting of the Committee of the Board attended by them. No sitting fees was paid to non-executive non independent director. No commission was paid to the non-executive directors during the FY 2022-23. The Company does not have stock option plan for any of its directors.

#### **Information supplied to the Board**

The Board agenda comprises of relevant information on various matters related to the working of the Company, especially those that require deliberation at the Board level. The directors of the Company receive the Board papers well in advance before the Board Meeting.

The Board is periodically updated on important developments in the business segments and other arenas through presentations made by the function heads. The directors have separate and independent access to officers of the Company. In addition to items which are required to be placed before the Board for its noting or approval, information on various significant items is also provided. In terms of quality and importance, the information supplied by the Management to the Board is beyond the list mandated under the Listing Regulations. The independent directors, at their separate meeting held on 14<sup>th</sup> February 2023, assessed the quantity, quality, and timely flow of information between the Management and the Board, and found it to be in line with the expectations.

#### **Orderly succession to Board and Senior Management**

The Board is periodically updated on the orderly succession to the Board and Senior Management. It has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

Directorships and memberships of Board Committees

Table 2: Directorship/Committee positions as on 31<sup>st</sup> March, 2023 in Kerala Ayurveda and other Companies

Sl. No	Name (s) of Directors	Directorship held in all Companies (Inclusive of Kerala Ayurveda Limited)	Name of the other Listed Companies where he/she is a director (exclusive of Kerala Ayurveda Limited)		*Committee Positions as Member and Chairperson in Listed and Unlisted Public Limited Companies (Inclusive of Kerala Ayurveda Limited)	
			Company	Type of Directorship	Member	Chairman
1.	Mr. Ramesh Vangal	14	NA	NA	1	0
2.	Mr. Gokul Patnaik	11	NA	NA	0	0
3.	Dr. Kunjupanicker Anilkumar	2	NA	NA	1	0
4	Mr. Subramaniam Krishnamurthy	3	NA	NA	1	1
5.	Mr. Anand Subramanian	13	NA	NA	1	1
6.	Mr. Harish Kuttan Menon	2	NA	NA	1	0
7.	Ms. Shilpa Kiran Gududur	1	NA	NA	0	0
9.	Rajesh Sharma	5	NA	NA	0	0

\*Includes membership/chairmanship in Audit & Stakeholders Relationship Committees only.

As may be noted from the table, no Director is a member of more than 10 Board Committees or Chairman of more than 5 Board Committees across all public limited companies where he/she is a Director. For this purpose, membership/chairmanship in Audit Committee and Stakeholders Relationship Committee is considered. Further, no Independent Director serves as Independent Director in more than 7 listed companies or 3 listed companies in case he/she is a whole-time director in any listed company.

The Board of Directors, overviews the performance of the Company, approves and reviews policies/strategies and evaluates management performance.

Disclosure of the Relationship Between Directors Inter se

None of the Directors are related to each other Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted: Our company is towards a regime of financial statements with unmodified audit opinion.

Certificate from practicing company secretary

A certificate from SVJS & Associates, Company Secretaries on non - disqualification /disqualification of directors forms a part of this Report.



The Board periodically reviews legal compliance reports with respect to the various laws applicable to the Company as prepared and placed before it by the Management.

**The disclosures with respect to the extent of compliance with corporate governance requirements specified in regulation 17 to 27 (Except 21) and clauses (b) to (i) of sub-regulation (2) of regulation 46 has been complied with Code of conduct.**

The Listing Regulations require listed companies to lay down a code of conduct for directors and senior management, incorporating duties of directors as laid down in the Act. Accordingly, the Company has a Board approved code of conduct for all Board members and Senior Management of the Company. The said code has been placed on the Company's website <https://www.keralaayurveda.biz/investor-relationships>. All the Board members and Senior Management personnel have affirmed compliance with the code for the year ended 31<sup>st</sup> March 2023. A declaration to this effect signed by the Whole time Director forms a part of this Report.

#### **Maximum tenure of independent directors**

The maximum tenure of independent directors is in accordance with the Act and the Listing Regulations.

#### **Formal letter of appointment of independent directors**

The Company issues a formal letter of appointment to independent directors in the manner provided under the Act. As per regulation 46(2) of the Listing Regulations, the terms and conditions of appointment of independent directors are placed on the Company's website <https://www.keralaayurveda.biz/investor-relationships>.

#### **Performance evaluation**

The performance evaluation of Independent Directors was carried out by the Board in its meeting held 14<sup>th</sup> February, 2023 in accordance with the following criteria laid out by the Nomination & Remuneration Committee and approved by the Board.

Attendance at meetings of Board and Committees, knowledge & ethics, understanding of the roles, responsibilities and duties as director/chairman, contributions at Board/Committees meetings including on strategy and risk management. The evaluation done brings out good performance of Independent Directors in the Board and committees' meetings. They are knowledgeable, ethical and bring their respective expertise in the deliberations and make valuable contributions. The same is hosted on the website of the Company at <https://www.keralaayurveda.biz/investor-relationships>.

The Nomination and Remuneration Committee at its meeting held on 28<sup>th</sup> June, 2022 reviewed the implementation and evaluation of every director's performance and various committees of the Board.

The Independent Directors expressed satisfaction on the performance of Non-Independent Directors and the Board as a whole. The Independent Directors were also satisfied with the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

#### **Remuneration policy**

Your Company has adopted a Nomination and remuneration Policy on the recommendation of the Nomination and Remuneration Committee. The Policy is shown as **Annexure 3** to the Directors Report and is also available on the website of the Company <https://www.keralaayurveda.biz/investor-relationships>.

#### **Familiarisation programmes for Independent Directors**

With a view to familiarising the independent directors with the Company's operations, as required under the Listing Regulations, the Company has held programmes for independent directors for familiarising them with the Company, business model of the Company, their roles, rights and responsibilities, etc., throughout the year and on a continuing basis. Details of such familiarisation programmes are placed on the Company's website <https://www.keralaayurveda.biz/investor-relationships>.

The details are given below as well:

	During the Year	Cumulative till date
Number of programmes attended by Independent Directors (During the year and on cumulative basis till date)	One program on 14 <sup>th</sup> February 2023	6 <sup>th</sup> November 2015 16 <sup>th</sup> November 2016 27 <sup>th</sup> September 2017 15 <sup>th</sup> November 2018 13 <sup>th</sup> February 2020 5 <sup>th</sup> December 2020 14 <sup>th</sup> February 2022
Number of hours spent by Independent Directors in such program's (during the year and on cumulative basis till date)	3 hours	25 Hours

#### Independent Directors Proficiency test

- Ms. Shilpa Kiran Gududur has undergone the Independent Directors Proficiency test.
- Mr Subramaniam Krishnamurthy is exempted from undergoing the Independent Directors Proficiency test and
- Mr. Harish Kuttan Menon has undergone the Independent Directors Proficiency test
- Mr Rajesh Sharma has not yet passed the Proficiency test.

#### Whistle blower policy/vigil mechanism

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the Listing Regulations.

The policy/vigil mechanism enables directors and employees to report to the Management their concerns about unethical behaviours, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and leak or suspected leak of unpublished price sensitive information. This mechanism provides safeguards against victimisation of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The policy has been appropriately communicated to the employees within the organisation and has also been hosted on the Company's website.

During FY 2022-23, none of the employees has been denied access to the Audit Committee under this policy.

#### Core skills and expertise of directors

As stipulated under Schedule V to the Listing Regulations, the Board has identified the following core skills/expertise/competencies required in the context of the Company's business(es) and sector(s) for it to function effectively and possessed by the Board. The table 4 below gives details of the same:



Sr. No.	Category	Directors
1.	Knowledge on the Company's business	Kunjupanicker Anilkumar
2.	Financial and Management skills	Anand Subramanian
3.	Behavioural skills	Gokul Patnaik
4.	Sales and marketing	Harish Kuttan Menon
5.	Corporate Governance and Ethics	Subramaniam Krishnamurthy and Shilpa Kiran Gududur
6.	Strategy and planning	Ramesh Vangal and Anand Subramanian

#### SUBSIDIARY COMPANIES

During the FY 2022-23 your Company has seven subsidiaries including one step down subsidiary and the details are as under:

Sr. No.	Name	Location	% of holding
1.	Ayurvedagram Heritage Wellness Centre Pvt. Ltd.	India	74
2.	Ayurvedic Academy Inc.	USA	100
3.	Suveda Inc. (formerly known as Nutraveda Inc.)	USA	100
4.	Ayu Natural Medicine Clinic, P S	USA	100
5.	CMS Katra Holdings LLC	USA	81.67
6.	CMS Katra Nursing LLC	USA	100*
7.	Nutraveda Pte Ltd.	Singapore	100

\* CMS Katra Holdings LLC holds 100% shareholding in CMS Katra Nursing LLC; hence CMS Katra Nursing LLC is a fully owned stepdown subsidiary of your company.

The policy on determining material subsidiaries is available on the Company's website <https://www.keralaayurveda.biz/investor-relationships>. Ayurvedagram Heritage Wellness Centre Private Limited is a material subsidiary within the meaning of the Listing Regulations. During FY 22-23, the Audit Committee reviewed the financial statements and in particular, the investments made by the unlisted subsidiary companies. Minutes of the Board meetings of the subsidiary companies were regularly placed before the Board of the Company. The Board periodically reviewed the statement of all significant transactions and arrangements entered by the unlisted subsidiary.

#### RELATED PARTY TRANSACTIONS

All related party transactions which were entered into during FY 2022-23 were on an arm's length basis and in the ordinary course of business under the Act except with M/s Ayurvedagram Heritage Wellness Centre Private Limited, Material Subsidiary of the Company for which approval of the Shareholders was taken in the AGM conducted during FY 2021-22 for a period of 3 years from 01.04.2020 to 31.03.2023. The details of which are mentioned in AOG 2 which forms a part of the Annual Report. There was a material related party transaction entered during the year. All related party transactions during FY2022-23 were entered with the approval of the Audit Committee pursuant to the provisions of the Act and the Listing Regulations. The details of such transactions were placed before the Audit Committee for noting /review, on a quarterly basis.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard-24 (Ind AS-24) issued by Institute of Chartered Accountants of India is set out separately in this Annual Report.

uring the FY2022-23, there was a materially significant related party transaction with M/s Katra Phytochem (India) Private Limited for which approval of the Shareholders was taken in the AGM held on 27<sup>th</sup> September 2022. The policy to determine on dealing with related party transactions has been framed and the same is disclosed on the Company's website at the link <https://www.keralaayurveda.biz/investor-relationships>.

#### AUDIT COMMITTEE

The Audit committee comprises of Three directors viz. Mr. S. Krishnamurthy, Chairman, Mr. Harish Kuttan Menon and Mr. Anand Subramanian as members as on 31st March 2023. Two-Third of the Members of this committee are independent directors and Chairman is an Independent Director. All members of audit committee are financially literate, and Mr. Anand Subramanian has accounting or related financial management expertise.

The terms of reference of the Committee include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions of the Company with related parties.

#### Meeting and attendance

During FY 2022-23, the Committee met four times. The gap between any two meetings has been less than one hundred and twenty days. The Company Secretary has acted as the secretary of the Committee.

Mr. S Krishnamurthy, Chairman of the Audit Committee was present at the AGM of the Company held on 27<sup>th</sup> September, 2022 to answer member's queries.

**Table 4: Composition of the Audit Committee and attendance record of the members for FY 2022-23**

Name of the director	Category	No. of Meeting entitled to attend	No. of meetings attended (out of 5)
Mr. Harish Kuttan Menon	Non-executive, Independent	4	4
Mr. Anand Subramanian	Non-executive	4	4
Mr. Subramaniam Krishnamurthy	Non-executive, Independent	4	4

The Functional Directors, Senior Managers, Chief Financial Officer, Internal Auditors and Statutory Auditors are invited to attend the meetings of the Audit Committee as and when necessary. The company Secretary acts as Secretary to the Committee. The Board accepted all the recommendations of the Audit Committee during the year.

#### NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of the Act, the Listing Regulations, the Company has constituted a Nomination and Remuneration Committee. All the directors of the Committee were non-executive and 50% of the directors were independent directors.

The terms of reference of the Committee include formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of independent directors and the Board, devising a policy on Board diversity, etc.

#### Meeting and attendance

During FY 2022-23, the Committee met 1 time.



**Table 5: Composition of the Nomination and Remuneration Committee and attendance record of the members for FY 2022-23**

Name of the director	Category	No. of meeting entitled to attend	No. of meetings attended (out of 1)
Mr. Subramaniam Krishnamurthy	Chairman, non-executive, independent	1	1
Mr. Ramesh Vangal	Non-executive	1	1
Mr Harish Kuttan Menon	Non-executive, independent	1	1

STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to the Act and the Listing Regulations, the Company has constituted a Stakeholders Relationship Committee. The committee oversees the transfer of shares, and complaints and grievances of security holders and investors of the Company. More details on this subject and on shareholders' related matters have been furnished in 'General Shareholder Information'.

Meeting and attendance

During FY 2022-23, the Committee met five times.

Name of the director	Category	No. of meetings attended (out of 5)
Mr. Anand Subramanian	Chairman, non-executive	5
Dr. Kunjupanicker Anilkumar	Wholetime Director (Executive)	5
Mr. Subramaniam Krishnamurthy	Non-executive, independent	5

Mr. Anand Subramanian, Chairman of the Committee was present at the AGM of the Company held on 27<sup>th</sup> September 2022 to answer the queries of the members.

No. of shareholder's complaints received during the Financial Year 2022-23	NIL
Number of complaints solved to the satisfaction of the shareholder	NA
Number of pending complaints as on 31st March, 2023	NA

Mrs. Jyothi Gulecha, a member of Institute of Company Secretaries India was appointed as the Company Secretary with effect from 14<sup>th</sup> February, 2023.

Compliance Officer Jyothi Gulecha, Company Secretary, is the Compliance Officer for complying with the requirements of the Securities Laws and the Listing Agreements with the Stock Exchanges.

MEETING OF INDEPENDENT DIRECTORS

Pursuant to the Act and the Listing Regulations, the independent directors shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 14<sup>th</sup> February 2023 and:

- noted the report on performance evaluation for the year 2022-23 from the Chairman of the Board.
- reviewed the performance of non-independent directors and the Board as a whole.

reviewed the performance of the Chairperson of the Company, considering the views of executive director and non-executive directors; and  
assessed the quantity, quality and timely flow of information between the Management and the Board and found it to be in line with expectations.

Mr. S. Krishnamurthy was elected Chairman for the meeting. All independent directors were present at the meeting.

#### **REMUNERATION OF DIRECTORS**

##### **Pecuniary relationship or transactions of non-executive directors**

During the FY 2022-23 there were no pecuniary relationships or transactions of any non-executive directors with the Company.

##### **Criteria of making payments to non-executive directors**

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining an objective judgment. They also oversee the corporate governance framework of the Company. The criteria of making payments to non-executive directors are placed on the Company's website <https://www.keralaayurveda.biz/investor-relationships>.

##### **Details of remuneration of directors**

All non-Executive directors are paid sitting fees as per the details provided in the extract of the Annual Return uploaded on the Company's website <https://www.keralaayurveda.biz/investor-relationships>. No commission is paid to the non-executive directors.

During the Financial Year 2022-23, the Company has paid remuneration to Dr. Kunjupanicker Anilkumar, Wholtime Director of the Company as provided in the Annual return. The tenure of the Whole time Director is for 3 years with the notice period of 3 months or salary in lieu of thereof. The performance pay/bonus of the Whole time Director is based on the performance of the Company and his contribution for the same. During the Financial Year 2022-23 no stock options were granted to the Whole time Director. The Whole time Director is also entitled to other perquisites and benefits mentioned in the agreement entered into with the Company. During the Financial Year 2022-23 the Company did not advance any loan to its directors.

##### **Disclosure of material transactions**

Pursuant to the Listing Regulations, the Senior Management is required to make disclosures to the Board relating to all material, financial and commercial transactions where they had or were deemed to have had personal interest that might have been in potential conflict with the interest of the Company.

#### **COMPLIANCE REGARDING INSIDER TRADING**

KAL has formulated "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" to ensure timely and adequate disclosure of Unpublished Price Sensitive Information. This is published on the company's website [www.keralaayurveda.biz/investor-relationships](https://www.keralaayurveda.biz/investor-relationships). The Company also has a Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The code was amended to align it with the new regulation i.e., the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulations").

#### **INFORMATION ON GENERAL BODY MEETINGS**

The AGM in the year 2018 and 2019 of the Company were held at Green Park Auditorium, N H 47, Desom, Aluva- 683103 and through video conferencing in the year 2020 and 2021 on the following dates and time:



2019	24 <sup>th</sup> September, 2019	At 4.30 P.M.
2020	30 <sup>th</sup> September, 2020	At 11.00A.M (Through Video Conferencing)
2021	30 <sup>th</sup> September, 2021	At 11.00A.M (Through Video Conferencing)
2022	27 <sup>th</sup> September, 2022	At 11.00 A.M (Through Video Conferencing)

**DETAILS OF SPECIAL RESOLUTION (s) PASSED AT THE LAST THREE AGMS AND THROUGH POSTAL BALLOT DURING FY 2019-20**

**i. Special resolutions passed at the last three AGMs:**

At the AGM held on 30<sup>th</sup> September, 2020 special resolutions were passed for entering into an agreement with Ayurvedagram for sale of medicines and re-appointment of Mr. Kshiti Ranjan Das as an Independent Director for a further period of 5 years.

At the AGM held on 30<sup>th</sup> September, 2021 special resolutions were passed for regularization of appointment of Ms. Shilpa Kiran Gududur as an Independent Director, to re appoint Dr. K. Anil Kumar as a Whole time Director for a further period of 3 years and for continuation of directorship of Mr. Gokul Patnaik, Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 who has attained the age of Seventy Five years.

At the AGM held on 27<sup>th</sup> September, 2022 special resolutions were passed for Regularisation of Appointment of Mr Rajesh Sharma as an Independent Director.

**ii. Special resolutions passed through postal ballot during the FY 2022-23**

No postal ballot was conducted during the period under reference. At present, there is no proposal to pass any special resolution through postal ballot.

**DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY**

The company was unable to fulfil the requirement of having half of the Board of Directors as independent directors during two consecutive quarters of the year and have paid Rs.10,50,200/- as penalty to BSE Ltd.

Company did not have a compliance officer during the period from 29/09/2022 to 13/02/2023 and has appointed Ms. Jyothi Gulecha as the Compliance Officer with effect from 14/02/2023.

Except for the above, the Company has complied with all the applicable legal requirements and no other penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI or any other statutory authority, in any matter related to capital markets, during the last three years.

### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The disclosure as required under Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal) Act, 2013 is given below:

Number of complaints filed during FY 2022-23	NIL
Number of complaints disposed of during FY 2022-23	NIL
Number of complaints pending as on end of FY 2022-23	NIL

### COMPLIANCE CERTIFICATE

The Wholetime Director have certified to the Board with regard to the financial statements and other matters as required under the Listing Regulations.

### REPORT ON CORPORATE GOVERNANCE

This chapter read together with the information given in the section on 'General Shareholder Information', constitute the report on corporate governance during FY 2022-23. A section on 'Management Discussion and Analysis' for FY 2022-23 is also included in this Annual Report. The Company duly submits the quarterly compliance report to the stock exchanges.

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from its Statutory Auditors regarding compliance with the provisions relating to corporate governance laid down in the Listing Regulations. This certificate is annexed to the 'Directors' Report'.

### STATUTORY AUDITORS

M/s. Maharaj Rajan and Mathew., Chartered Accountants are the Statutory Auditors of the Company. Total fees paid by the Company and its subsidiaries, on consolidated basis to the Auditors including all entities in their network firm/entity of which they are a part is given below:

Payment to Statutory Auditors	FY 2022-23 (In Lakhs)
Audit Fees	5,00,0000
Tax Audit Fees	50,000
Reimbursement of expenses	83,450
<b>Total</b>	<b>6,33,450</b>

### COMPLIANCE OF MANDATORY REQUIREMENTS UNDER THE LISTING REGULATIONS

The Company has complied with the mandatory requirements of the Listing Regulations.

### GENERAL SHAREHOLDER INFORMATION

#### 31<sup>st</sup> Annual General Meeting

Date	27th September, 2023
Time	11.00 a.m



### Financial calendar for FY 2023-24

Unaudited first quarter financial results	Before 15 <sup>th</sup> August, 2023
Unaudited second quarter financial results	Before 15 <sup>th</sup> November, 2023
Unaudited third quarter financial results	Before 15 <sup>th</sup> February, 2024
Annual Accounts for FY 2023-24	During April/May 2024
Annual General Meeting for the year ending 31st March, 2024	During September 2024

### Means of Communication

The company publishes the quarterly and yearly financial results in prominent English and regional language newspapers. The same are also displayed on its website [www.keralaayurveda.biz](http://www.keralaayurveda.biz). It provides comprehensive information regarding the company's business. The quarterly and yearly financial results are available in downloadable format for investors' convenience on the company's website. The Annual Report of the company is also available on the website in a user-friendly and downloadable form. The official news releases of the company are displayed on its website.

### Registrar and share transfer Agent

M/s. Integrated Registry Management Services Pvt. Ltd. (earlier known as Integrated Enterprises (India) Ltd.) Chennai having office at Ernakulam is the Registrar & Transfer Agent of the company. Share Transfers Dematerialization of shares and all other investor related activities are attended and processed at the office of the Registrar & Transfer Agent. Shareholders/ Investors/ Depository Participants are requested to send all their documents and communications pertaining to both physical and Demat shares to the Registrar at the following address:

M/s. Integrated Registry Management Services P. Ltd.,  
Kences Towers, 2nd Floor, Ramakrishna Street, Off: North Usman Road,  
T Nagar, Chennai-600017  
Ph: 044-28140801-03 Fax: 044-28142479  
E-mail: [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in)

### Date of book closure

The register of members and share transfer books of the Company will remain closed from 21<sup>st</sup> September, 2023 to 27<sup>th</sup> September, 2023 (both days inclusive).

### Dividend

The Directors do not recommend payment of dividend for the Financial -Year 2022-23.

### Share transfer system

The shareholder can approach a Depository Participant (DP) with physical share certificates for dematerialization. The DP will generate a Demat request which will be sent to the Registrar and Transfer Agent along with share certificates. On receipt of the same the Registrar and Transfer Agent will Demat the shares. The Company is also offering a subdivision cum Demat scheme for those shareholders who are submitting their shares for subdivision. In compliance with the Listing guidelines, every six months, a Practicing Company Secretary audits the system of Transfer and a certificate to that effect is issued.

### Dematerialisation/ Rematerialisation of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder must open a Demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat

request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the Demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

As on 31st March, 2023, 96.5% of the Company's total shares representing 1,01,89,287 shares are held indematernalised form and 3.47% representing 3, 66,383 shares are in physical form.

Category	Number	% of Total Equity
<b>Demat Mode</b>		
NSDL	9,035,669	85.60
CDSL	1,153,618	10.93
<b>Physical Mode</b>	366,383	3.47
<b>Grand Total</b>	<b>1,05,55,670</b>	<b>100.00</b>

Listing on stock exchange and stock code	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001 Phones: (022) 22721233/4, 91-22-66545695 Fax: (022) 22721919 Stock Code: 530163
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Annual listing fees, as prescribed, have been paid to the said stock exchanges upto 31<sup>st</sup> March 2023

### Market Price Data: High and low during each month in the financial year 2022-23

Month	High	Low	AVERAGE
Apr-22	86	73	80
May-22	78	65	71
Jun-22	83	65	74
Jul-22	81	68	74
Aug-22	79	71	75
Sep-22	75	66	70
Oct-22	89	69	79
Nov-22	94	78	86
Dec-22	119	81	100
Jan-23	116	98	107
Feb-23	112	84	98
Mar-23	98	76	87

Stock performance of the Company: Kerala Ayurveda Limited (KAL) vs. BSE Sensex

Stock price performance of KAL vs BSE Sensex for year ended 31st March 2023





Distribution of shareholding

Sl No.	Nominal Value of Shares	No.of Holders	% of Total Holders	Total Face Value of Shares	% of total Face Value
1	Upto 5000	7499	91.80	621263	5.89
2	5001 - 10000	288	3.53	227884	2.16
3	10001 - 20000	180	2.20	278147	2.64
4	20001 - 30000	64	0.78	168890	1.60
5	30001 - 40000	28	0.34	101140	0.96
6	40001 - 50000	26	0.32	117172	1.11
7	50001 - 100000	37	0.45	271607	2.56
8	ABOVE 100001	47	0.58	8769567	83.08
	Total	8169	100.00	10555670	100.00

Shareholders Profile as on 31st March, 2023

Sl No.	Category	Holders	Holders %	No.of Shares	Shares %
1	BANKS / FINANCIAL INSTITUTIONS	1	0.01	1709	0.02
2	BODIES CORPORATE	60	0.73	166626	1.58
3	CLEARING MEMBER	10	0.12	1336	0.01
4	DIRECTORS AND RELATIVES	4	0.05	200570	1.90
5	FOREIGN INSTITUTIONAL INVESTORS	1	0.01	25737	0.24
6	HUF	59	0.72	38867	0.37
7	LIMITED LIABILITY	1	0.01	469	0.00
8	MUTUAL FUND	1	0.01	2976	0.03
9	NRI	116	1.42	788898	7.47
10	PROMOTERS	1	0.01	6493435	61.52
11	RESIDENT INDIAN	7915	96.89	2835047	26.86
	TOTAL	8169	100.00	10555670	100.00

#### Global Depository Receipt, American Depository Receipts

The capital of the Company comprises only Equity Shares and the company is not having preference shares, outstanding ADRs or GDRs.

#### Plant Location

Kerala Ayurveda Limited - VII/415, Nedumbassery, Athani P.O., Aluva-683585

Kerala Ayurveda Limited- Raw Drug Division, Athani PO, Kottai-683585

#### Commodity Price Risk or Foreign Exchange Risk and hedging activities

There were packing material imports from abroad and no foreign borrowings and the export receivables are insignificant and forex fluctuations do not have any material impact on the profitability of the Company. The Company is not carrying out any hedging activities. The Company is dealing with natural products and any increase in the price of raw material or commodity will impact the cost of the product. The company has the ability to increase the price of the product to cover the cost.

#### Address for correspondence

The shareholders may address their communications/suggestions/queries to

Company Address	Registrar and Transfer Agent
The Company Secretary / Compliance Officer,	M/s. Integrated Registry Management Services P. Ltd.,
M/s. Kerala Ayurveda Ltd.,	Kences Towers, 2nd Floor, Ramakrishna Street, O&G
VII/415, Nedumbassery, Athani P O, Aluva-683 585.	North Usman Road, T Nagar, Chennai-600 017
Ph: 0484-2476301 (4 lines)	Ph: 044-28140801-03 Fax: 044-28142479
Fax: 0484-2474376	E -mail : csdstd@integratedindia.in
Email: <a href="mailto:companysecretary@keralaayurveda.biz">companysecretary@keralaayurveda.biz</a>	
<a href="mailto:investor@keralaayurveda.biz">investor@keralaayurveda.biz</a>	

#### Details of any Non-Compliance w.r.t. Capital Markets during the Year

During the previous three years, there were no instances of non compliance by the company or penalties, strictures imposed on the company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets.

#### Other disclosures

The details of transactions of material nature with its Promoters, Directors or the Management or their subsidiaries or their relatives during the year have been disclosed in notes to Accounts forming part of this Annual Report. There was no instance of non-compliance.

All transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

Date: 10.8.2023

By Order of the Board of Directors  
For Kerala Ayurveda Limited

Sd/-

RAMESH VANGAL

Chairman (DIN-00064018)



**COMPLIANCE WITH CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

To,

The Members of

Kerala Ayurveda Ltd.,

As provided under SEBI (Listing of Obligations and Disclosure Requirements), Regulations, 2015 all Directors and Members of the Senior

Management have affirmed compliance with the code of conduct during the financial year ended 31st March, 2023

For Kerala Ayurveda Ltd.

Sd/-

Place: Bengaluru

Dr. Kunjupanicker Anilkumar

Date : 12/08/2023

Wholetime Director

(DIN 00226353)

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of **Kerala Ayurveda Limited**

We have examined the compliance of conditions of Corporate Governance by **Kerala Ayurveda Limited** [CIN: L24233KL1992PLC006592] having its registered office at VII/415, Nedumbassery, Athani P.O., Alwaye, Ernakulam - 683585, for the year ended **31<sup>st</sup> March, 2023** as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023 except as under:

*Disclosure of related party transactions is not made within fifteen days from the date of publication of its standalone and consolidated financial results in accordance with Regulation 23 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*As per proviso to Regulation 17 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 where the regular non executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors. As on 27.06.2022, out of the 7 Directors on board, the company had only 3 Independent Directors.*

*Company did not have a compliance officer during the period from 29/09/2022 to 13/02/2023 in accordance with Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*Pursuant to the Regulation 7 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent. However the Compliance certificate under regulation 7(3) for the Financial Year ended 31/03/2023 was not signed by the Compliance Officer of the Company, instead it is signed by Executive Director.*

*The Company has an unlisted material subsidiary on the board of which Independent Director of Kerala Ayurveda is not a Director upto 13.11.2022 in accordance with Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*The notice of Annual General Meeting was sent on 06.09.2022 for the meeting held on 27.09.2022 which is not 21 clear days in advance of the meeting.*

*An advertisement containing prescribed details is published but not twenty one days before the date of the Annual General Meeting.*

*The office of the Chief Financial Officer remained vacant from 30.11.2021. The vacancy should have been filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy and the aforesaid 6-month ended on 31.05.2022. The Vacancy was filled by the Board on 28.06.2022.*

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Peer Review Certificate No.648 /2019**

**UDIN: F003067E000803185**

**For SVJS & Associates**  
**Company Secretaries**

**CS.Vincent P. D.**  
**Managing Partner**  
**FCS: 3067**  
**CP No: 7940**

**Kochi**  
**10.08.2023**



**CEO /CFO CERTIFICATION**

To,  
The Board of Directors,  
Kerala Ayurveda Limited

We, the undersigned, in our respective capacities as Wholetime Director and Chief Financial Officer of Kerala Ayurveda Limited ("the Company"), to the best of our knowledge and belief certify that:

1. We have reviewed financial statements and cash flow statement for the financial year 2022- 23 and that to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are to the best of our knowledge and belief, no transactions entered into by the company during the financial year ended on 31st March, 2023 which are fraudulent, illegal or violative of the company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, there are no instances of fraud and the involvement therein of the management or employees having a Significant role in the company's internal control system over financial reporting.

For Kerala Ayurveda Limited

Date: 10<sup>th</sup> August, 2023

Sd/-  
Dr. Kunjupanicker Anilkumar  
Wholetime Director(DIN: 00226353)

Sd/-  
K T George  
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members  
**KERALA AYURVEDA LIMITED**  
VII/415, Nodumbaserry, Athani P.O.,  
Alwaye - 683585, Kerala, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KERALA AYURVEDA LIMITED** having CIN: **L24233KL1992PLC006592** and having registered office at VII/415, Nodumbaserry, Athani P.O., Alwaye - 683585, Kerala, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID 19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31<sup>st</sup> March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr.Ramesh Vangal	00064018	02.09.2006
2.	Mr.Gokul Patnaik	00027915	24.09.2019
3.	Mr.Anand Subramanian	00064083	11.10.2010
4.	Mr.Subramaniam Krishnamurthy	00140414	24.09.2019
5.	Dr.Kunjupanicker Anilkumar	00226353	28.06.2006
6.	Mr. Harish Kuttan Menon	00585260	30.06.2019
7.	Ms. Shilpa Kiran Gududur	09067581	15.02.2021
8.	Mr. Rajesh Sharma	00811525	28.06.2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Peer Review Certificate No.648 /2019

UDIN: F003067E000803152

For SVJS & Associates  
Company Secretaries

CS.Vincent P. D.  
Managing Partner  
FCS: 3067  
CP No: 7940

Kochi  
10.08.2023



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**1. ECONOMIC OVERVIEW**

Despite facing significant challenges in the global economic landscape, the Indian economy has displayed remarkable resilience. The recovery process from the contraction caused by the COVID-19 pandemic, coupled with uncertainties stemming from events like the Russian-Ukraine conflict and inflationary pressures, has been a formidable task. However, India's economy has managed to stage a broad-based recovery across various sectors, showing promising signs of regaining its pre-pandemic growth trajectory by the fiscal year 2023. This positive outlook indicates that the country is on track to achieving robust GDP growth in FY24, with forecasts projecting it to be in the range of 6% to 6.8%.

One of the standout performers in India's economic recovery has been its pharmaceutical industry. Experiencing rapid growth, the sector has been estimated to achieve a remarkable 9.3% expansion during the fiscal year 2023-24, as reported by credit rating agencies. This impressive performance has captured the attention of global pharma giants, who now consider India a priority market. With its strong growth trajectory and the potential for further development, India's pharmaceutical industry is becoming increasingly attractive to international players seeking to tap into the country's burgeoning market.

In 2022, the global Ayurvedic market size was valued at USD 5304.25 million, highlighting the increasing popularity and demand for traditional Indian medicine worldwide. Projections for the forecast period indicate a compounded annual growth rate (CAGR) of 11.89%, which is expected to propel the market to USD 10408.51 million by 2028. This significant growth trajectory signifies the expanding global recognition and acceptance of Ayurveda, positioning India as a key player in the traditional medicine market. As the market continues to flourish, it offers promising opportunities for both domestic and international businesses interested in the Ayurvedic sector.

**2. INDUSTRY STRUCTURE AND DEVELOPMENTS**

The AYUSH and alternative medicine sector in India is poised for significant growth, projected to achieve a Compound Annual Growth Rate (CAGR) of 8.6 per cent from 2022 to 2027. Several factors are driving this expansion, including a notable increase in awareness among individuals regarding the benefits of alternative medicine. Moreover, there is a rising demand for natural and organic products, as people prioritize holistic and sustainable approaches to health and wellness. The Indian government's dedicated efforts to promote and support the AYUSH sector have also contributed to its growth trajectory. This collective momentum has opened numerous growth opportunities and heightened the industry's prospects.

Ayurveda is a traditional system of medicine that originated in India thousands of years ago. It is based on the belief that health and wellness depend on a delicate balance between the mind, body, and spirit. Ayurvedic medicine utilizes natural remedies and techniques to promote health and prevent illness. These remedies can include herbal medicines, dietary guidelines, massage, meditation, and yoga. Ayurveda is making its way more into lives of people as diet & lifestyle activities around the globe. Healthy daily habits like Oil pulling , Nasyam , Abhyangam are being adopted by many. With Ayurveda being practiced all over the world, the way up ahead would be quite exciting. Cures are being invented every other day based on Ayurveda herbal wisdom by researchers. Doctors in hand in with scientists are working on innovating Ayurveda across different fronts. We hope as Ayurveda spreads more, the essence of it will trickle more, into lives of many – Wellness Naturally.

Kerala Ayurveda Limited is a One-of-its-kind, Full-spectrum, and Listed Ayurveda Company in India with a rich Heritage of over 75 years and having touched the lives of over a Million people. Its Footprint spans Wellness Resorts, Hospitals, Clinics, Academies, Products and Services in India & US.

**3. OPPORTUNITIES**

We believe the following are our competitive opportunities:

- Strong R & D capability, many new products under development. Develop medicines which can provide relief to medical conditions for which allopathy medicines do not provide much relief.
- Have fully integrated GMP manufacturing facility to manufacture both classical and proprietary Ayurvedic formulations in the most hygienic condition and strict adherence to prescribed norms.
- Have Competent and experienced team of experts for the standardization of treatments. Growing the well-established network of clinics and treatment centre and distribution centres.

**4. RISK, CONCERNS AND THREATS**

The market has both organized and unorganized players and the capability and the strengths differ. But both are classified under Ayurveda industry. So, the organized sector has to work hard to maintain the parameters so that the high standards are maintained, and customers should not lose faith in the practice. Major threats for Ayurveda industry are regulatory concerns, consumer perceptions and competition. The regulatory agencies all over the world are focusing on the Quality, efficacy, safety and standardization of herbal medicines. Your company has been working in this area. We have demonstrated excellence in quality of our medicines and KAL is well positioned in the market for quality products. We rely on repeat business based on the strength of our client relationship and a major portion of our revenue comes from key clients. Initiatives are focused on improving client relationship.

**5. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

The primary business segment of your Company is Ayurveda and hence no segment wise reporting is required.

**6. FUTURE OUTLOOK**

The post-pandemic era has witnessed a resurgence in the popularity of ayurveda and alternative drugs worldwide. As people sought immunity-boosting solutions with minimal side effects during the pandemic, they rediscovered the true potential of these traditional practices. Ayurveda and alternative medicine have gained increased traction due to their holistic approach and natural remedies. India, renowned for its expertise in alternative medicine, has emerged as one of the leading exporters of such products on the global stage. Major export destinations include the United States, as well as European nations like Germany and France. This international recognition and demand have further bolstered the growth prospects of India's AYUSH and alternative medicine sector.

**7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has strong internal controls systems commensurate with the nature of its business, the size and complexity of its operations. In order to ensure orderly and efficient conduct of business the company has put in place systems which include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit and review framework etc. The team is cognizant of applicable laws and regulations particularly those related to protection of resources and assets, and the accurate reporting of financial transactions. The audit findings are reviewed by the audit committee.

**8. FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE**

The company has a turnover of Rs. 6329.87 Lakhs in 2022-23 as compared to previous year's sales of Rs. 5579.91 Lakhs. Company Revenues for FY 22-23 has increased by 13% to Rs. 6335.89 Lakhs Vs Rs. 5610.4 Lakhs in FY 21-22. EBITDA decreased to Rs. 461.85 Lakhs from Rs. 789.24 Lakhs in 2021-22. Consolidated Revenues for FY 22-23 has increased by 16% to Rs. 9369.99 Lakhs Vs Rs. 8069.96 Lakhs in FY-2122, Consolidated EBITDA decreased to Rs. 253.57 Lakhs from Rs. 972.91 Lakhs in 2020-21.

**9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT AND NUMBER OF PEOPLE EMPLOYED**

The company places great emphasis on its employees and believes that they are the core of the Corporate Purpose. The HR mission is to empower employees to make continuous improvements and enhance their professional skills. The company believes in respecting the individual rights and dignity of the people. The company believes that human resources are the most valuable assets and a major driver for achieving its goals.

Your company continues to invest in human resources to build new businesses while simultaneously improving the individual & organizational preparedness for future challenges.

The manpower strength of the Company as on 31st March 2023 was 265 permanent employees including Management Staff across different locations.

**10. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

In accordance with SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year. Profit After Tax (PAT) has increased by 225%, debt service coverage ratio has increased by 102.01% net profit margin by 186.46%.

**11. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR**

Return on Net Worth has increased by 116% as to compared previous financial year. Our Company is progressing by overcoming the pandemic situation.

Date: 10<sup>th</sup> August 2023

By Order of the Board of Director

For Kerala Ayurveda Limited

Sd/-

RAMESH VANGAL

Chairman (DIN-00064018)



## INDEPENDENT AUDITOR'S REPORT

**To the Members of Kerala Ayurveda Limited,  
Report on the Audit of the Standalone Financial Statements.**  
**Opinion.**

1. We have audited the accompanying standalone financial statements of Kerala Ayurveda Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the act, of the state of affairs (financial position) of the Company as at March 31, 2023 and its profit (financial performance including other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 standalone 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 ('ICAI') together with the ethical requirements that are relevant to Our audit of the 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.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Existence and impairment of Trade Receivables</b> - Refer to note 11, Trade Receivables to the standalone financial statements. The total Trade Receivables as of March 31, 2023 amounted to RS1207.35 lakhs representing 12.38 % of the total assets (2022: RS 1036.16 Lakhs, 11.30% of the total assets)</p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not be reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgment, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable. We also reviewed the system of obtaining periodical confirmation from the customers. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers; invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the separate financial statements.</p>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report etc but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone 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.

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

## **Auditor's Responsibilities for the Audit of the standalone Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on auditing 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 system 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

12. 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.



13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

14. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

15. Further to our Comments in Annexure A, as required by section 143(3) of the Act, We report 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 standalone financial statements dealt with by this report are in agreement with the books of accounts
- d. In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act
- e. On the basis of the written representations received from the directors and taken on record by the board of directors, none of the directors is disqualified as on March 31, 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 B".
- g. In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. 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 does not have any pending litigations which would impact its financial position

ii) the Company does not have any long term contracts requiring a provision for material foreseeable losses.

iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

iv) a) The management has represented that, to the best of its knowledge and belief, no funds 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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; and

c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me 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.

v) The company has neither declared nor paid any dividend during the year.

vi. Since requirement of maintenance of accounting software which has a feature of audit trail under Rule 3 of the Companies (Accounts) Rules, 2014 has been deferred from financial year commencing from 01 April 2022 to financial year commencing from 01 April 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

**For Maharaj Rajan and Mathew**  
**Chartered Accountants**  
**Firm Registration Number 001932S**

**Ernakulam**  
**30/05/2023**

**Mathew Joseph Bcom ,FCA,DISA(ICA)**  
**(Partner)**  
**Membership Number 022658**  
**UDIN: 23022658BGWDNW8848**

#### **Annexure A to the Independent Auditor's Report**

The annexure referred to in Independent Auditors report to the members of The Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2023, We report that .

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of property, plant and equipment.  
(B) The company is maintaining proper records showing full particulars of intangible assets.  
(b) The company has a program of verification for property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.  
(d) The company has not revalued its property, Plant and Equipment ( Including Right of Use assets ) or intangible assets or both during the year.  
(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and rules made there under.
- ii. (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.  
(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets. The returns or statements filed by the company with SBM Bank (India ) Limited for the 4<sup>th</sup> quarter are not in agreement with the books of accounts of the company.

particulars	As per the statement submitted to bank( In Lakhs)	As per books (In Lakhs )	Variance ( In Lakhs )
Inventory	613.88	644.32	30.44
Trade Creditors	425.54	423.92	1.62



Sundry Debtors	1,220.76	1,207.35	13.41
Total	1,409.10	1,427.75	18.65

- iii. (a) According to the information and explanations given to us, the Company has granted unsecured loans to subsidiaries covered in the register maintained under Section 189 of the Act.
- (A) i) The aggregate amount of loan given to Subsidiaries during the year
- ii) Balance outstanding at the balance sheet date with respect to loans given to Subsidiaries : Rs 2,338.69 Lakhs.
- (B) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates : NIL
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are, prima facie, not prejudicial to the company's interest.
- (c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and receipts of interest are generally been regular.
- (d) There are no overdue amounts remaining outstanding as at the year - end.
- (e) No loan or advance in the nature of loan granted which has fallen due during the year has been renewed or extended or fresh loans granted to settle the over dues of existing loans given.
- (f) the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub Section(1)of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) Undisputed statutory dues including GST, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, undisputed amounts of TDS payable outstanding at the year-end for a period of more than six months from the date they became payable is Rs. 95.47 Lakhs.
- (b) According to the information and explanation given to us, there are no dues of Goods and Service tax, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues outstanding on account of any dispute.
- viii. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. a) In our opinion and according to the information and explanations given to us and based on the audit work performed by us, the company has defaulted in the repayment of loans due to ECL Finance Limited

Description of borrowing	Name of Lender	Amount unpaid on the due date	Whether interest or principal	No.of days of delay or unpaid	Auditor's Remark
Term Loan	ECL Finance Limited	983.16 Lakhs	Principal	40days	Unpaid loan amount has been paid in May 2023

- (b) According to the information and explanations given to us the company has not been declared as a willful defaulter by any bank or financial institution or other lender.

© In our opinion and according to the information and explanations given to us term loans obtained by the company have been applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).

(b) The company has not made any preferential allotment or private placement of shares/convertible debentures during the year.

xi. (a) To the best of our knowledge and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(b) 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 by the Statutory Auditors and up to the date of this report.

(c) There were no whistle blower complaints received by the Company during the year (and up to the date of this report). Hence reporting under clause xi (c) is not applicable.

xii. The Company is not a Nidhi Company. Therefore the provisions of Paragraph 3 clause (xii) of the Order are not applicable to the Company.

xiii. In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

xiv. (a) According to the information and explanations given to us and based on our examination of the records of the company, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, during the course of our audit, the reports of the Internal Auditors for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditor"

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 him; Accordingly Paragraph 3 clause ( xv) of the order is not applicable.

xvi. The company is not a Non Banking Financial company and therefore Paragraph 3 clause xvi (a to d ) are not applicable and hence not commented upon.

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 during the year. Hence the provisions stated in Paragraph 3 clause (xviii) of the order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying financial statements, 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. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, Paragraph 3 clause (xx) (a) to (b) of the Order are not applicable to the Company.

**For Maharaj Rajan and Mathew**  
Chartered Accountants  
Firm Registration Number 001932S

**Mathew Joseph Bcom ,FCA,DISA(ICA)**  
(Partner)  
Membership Number 022658  
UDIN: 23022658BGWDNW8848

Ernakulam  
30/05/2023



**Annexure B to the Independent Auditor's Report**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the standalone financial statements of Kerala Ayurveda Limited ("the Company") as of and for the year ended 31 March, 2023, we have audited the internal financial controls over financial reporting of the Company as of that date.

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

The Company's Board of Directors 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India ("ICAI"). 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 the Company's business, including adherence to 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by the ICAI. 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 were 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 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 Company's Internal Financial Controls system over Financial Reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's Internal Financial Controls over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Controls over Financial

Reporting include 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 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 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 Internal Financial Controls 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, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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 issued by the ICAI.

**For Maharaj Rajan and Mathew**  
**Chartered Accountants**  
**Firm Registration Number 001932S**

**Mathew Joseph Bcom ,FCA,DISA(ICA)**  
**(Partner)**  
**Membership Number 022658**  
**UDIN: 23022658BGWDNW8848**

**Ernakulam**  
**30/05/2023**

Kerala Ayurveda Limited			
Balance Sheet as at 31.03.2023			
Particulars	Note No.	As at 31.03.2023 Amount in Lakhs	As at 31.03.2022 Amount in Lakhs
<b>A ASSETS</b>			
<b>Non-Current assets</b>			
Gross Block		3,142.30	2,875.56
Less: Depreciation Reserve		1,261.45	1,232.12
<b>Fixed Assets</b>			
Property, Plant & Equipment	4	1,880.82	1,643.44
Capital work in progress		-	234.39
Other Intangible Assets		1,151.05	1,153.04
<b>Financial Assets</b>			
Investments	5	1,136.60	1,136.60
Loans	6	2,338.69	1,892.57
Other Financial assets	7	456.54	556.02
Deferred Tax Asset		88.97	37.20
Income Tax assets(net)	8	220.21	177.80
<b>Total Non current Assets</b>		<b>7,272.88</b>	<b>6,831.06</b>
<b>Current Assets</b>			
Inventories	9	967.55	938.13
<b>Financial assets</b>			
Trade Receivables	10	1,207.35	1,036.16
Cash and Cash equivalents	11	54.58	13.15
Other current assets	12	249.99	351.48
<b>Total Current Assets</b>		<b>2,479.47</b>	<b>2,338.92</b>
<b>TOTAL ASSETS</b>		<b>9,752.35</b>	<b>9,169.98</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	1,055.57	1,055.57
Other Equity	14	397.69	71.96
<b>Total Equity</b>		<b>1,453.26</b>	<b>1,127.53</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	4,043.03	2,876.28
Provisions	16	429.47	429.87
Other Non-Current Liabilities	17	34.50	23.50
<b>Total Non Current Liabilities</b>		<b>4,507.00</b>	<b>3,329.65</b>
<b>Current liabilities</b>			
Borrowings	18	2,202.05	3,262.71
Trade payables	19	598.18	537.47
Other current liabilities	20	888.74	848.78
Provisions	21	103.12	63.84
<b>Total Current Liabilities</b>		<b>3,792.09</b>	<b>4,712.80</b>
<b>TOTAL LIABILITIES</b>		<b>8,299.09</b>	<b>8,042.45</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>9,752.35</b>	<b>9,169.98</b>
The accompanying notes form an integral part of these financial instruments in terms of our report attached			
For Maharaj Rajan & Mathew Chartered Accountants FRN:0019325		For and on behalf of the Board of Directors <b>KERALA AYURVEDA LIMITED,</b>	
Sd/-		Sd/-	
Mathew Joseph , B Com, FCA Proprietor MEM NO 022658		Ramesh Vangal Chairman DIN: 00064018	
		Sd/-	
Place : Ernakulam Date : 30-05-2023		Jyothi Gulecha Company Secretary	George KT CFO



Kerala Ayurveda Limited				
Profit and Loss statement for the Year ended 31st March,2023				
	Particulars	Note No.	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
			Amount in Lakhs.	Amount in Lakhs.
1	<b>Income</b>			
	Revenue from operations	22	6,329.87	5,579.91
	Other income	23	6.02	30.49
	<b>Total revenue</b>		<b>6,335.89</b>	<b>5,610.40</b>
2	<b>Expenses</b>			
	Cost of Materials consumed	24	1,610.95	1,573.79
	Purchases of Medicines (Stock In Trade)	25	144.25	62.73
	Changes in Inventories of FG, WIP & Stock In Trade	26	11.02	(26.98)
	Employee benefits expense	27	1,598.39	1,216.84
	Finance costs	28	444.13	588.82
	Depreciation	29	63.90	76.63
	Other expenses	30	2,509.43	1,994.78
	<b>Total Expenses</b>		<b>6,382.07</b>	<b>5,486.61</b>
3	Profit Before Extraordinary items and Tax		(46.18)	123.47
4	Add: Exceptional Items			
4	Profit / (Loss) Before Extraordinary items and Tax		(46.18)	123.47
5	Add: Prior Period Items		283.48	-
5	<b>Profit Before Tax</b>		<b>237.30</b>	<b>123.47</b>
	Tax expense:			
	Current Tax		39.52	6.55
	Deferred Tax		(51.77)	34.52
	MAT Credit		(39.52)	(6.55)
6	<b>Total Tax</b>		<b>(51.77)</b>	<b>34.52</b>
7	<b>Profit for the period</b>		<b>289.07</b>	<b>88.95</b>
	Other comprehensive income			
	Items that will not be reclassified to Profit or Loss		36.66	34.46
8	<b>Total Comprehensive income for the Year</b>		<b>325.73</b>	<b>123.41</b>
	Earnings Per Equity Share			
	Basic & diluted [Nominal value of shares Rs. 10/- each]	37	3.09	1.17
	Significant Accounting Policies	1-3		
In terms of our report attached, For Maharaj Rajan & Mathew Chartered Accountants FRN:001932S  Sd/-  Mathew Joseph , B Com, FCA Proprietor MEM NO 022658  Place : Ernakulam Date : 30-05-2023			For and on behalf of the Board of Directors KERALA AYURVEDA LIMITED,  Sd/-  Ramesh Vangal Chairman DIN: 00064018  Sd/-  Jyothi Gulecha Company Secretary	
			Sd/-	George KT CFO

Kerala Ayurveda Limited		
Cash Flow Statement for the Year ended 31st March, 2023		
Particulars	For the Year Ended 31st March, 2023	For the year Ended 31st March, 2022
	Amount in Lakhs	Amount in Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Interest & Tax	681.43	712.29
<b>Adjustment to reconcile Profit Before Tax to Net Cash Flows</b>		
Interest Received	(6.02)	(30.49)
Finance Cost( Fair value change in Financial Instruments)	(125.99)	(117.75)
Finance Income ( Fair value change in Financial Instruments)	162.65	152.21
Depreciation and Amortisation	63.90	76.63
Profit/Loss On Sale of fixed assets	0.64	0.04
<b>Operating profit before working capital changes</b>	<b>776.61</b>	<b>792.93</b>
<b>Adjustments for:</b>		
Trade receivables	(171.19)	(58.84)
Inventories	(29.42)	11.65
Other Current Assets	101.53	394.16
Other Financial Assets	99.48	(137.44)
Income tax Assets	(42.41)	(14.03)
Trade Payables	87.46	34.93
Current Financial liabilities- Provisions	39.28	(12.93)
Other Current Liabilities	39.96	266.04
Non- Current Financial liabilities- Provisions	(0.40)	34.24
Other non current liabilities	11.00	(435.40)
<b>Cash generated from operations</b>	<b>135.29</b>	<b>82.38</b>
<b>Net cash from operating activities A</b>	<b>911.90</b>	<b>875.31</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(93.43)	(230.25)
Disposal of Fixed Assets	1.10	0.53
Loans to Subsidiaries	(446.13)	281.87
Interest Received	6.02	30.49
<b>Net cash used in Investing activities B</b>	<b>(532.44)</b>	<b>82.64</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of long term loan	1166.76	(1908.94)
Net Increase/(Decrease) in Working Capital Borrowings	(1060.67)	1445.79
Finance Cost	(444.13)	(588.82)
<b>Net cash from financing activities C</b>	<b>(338.04)</b>	<b>(1051.97)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>41.42</b>	<b>(94.02)</b>
Cash & Cash Equivalents at Beginning of year	13.15	107.24
Cash & Cash Equivalents at End of year	54.58	13.22
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>41.43</b>	<b>(94.02)</b>
In terms of our report attached.		
For Maharaj Rajan & Mathew		
Chartered Accountants		
FRN:0019325		
Sd/-		
Mathew Joseph , B Com, FCA		
Partner		
MEM NO 022658		
Place : Ernakulam		
Date : 30-05-2023		
For and on behalf of the Board of Directors		
KERALA AYURVEDA LIMITED,		
Sd/-		
Ramesh Vangal		
Chairman		
DIN: 00064018		
Sd/-		
Sd/-		
Jyothi Gulecha		
Company Secretary		
George KT		
CFO		



**Notes to financial statements**

**1. General Information / Corporate Information**

Kerala Ayurveda Limited (the 'Company') is a Public Limited Company incorporated in India and having its registered office at VII/415, Nedumbassery, Athani P.O, Kerala-683585. The company is primarily focused on manufacture of Ayurveda products, Ayurveda Research, Academies, Clinics, Hospitals, Ayurvedic Wellness Resorts and Services, cultivation of Ayurveda herbs and maintaining herbarium of medicinal plants.

**2. Significant Accounting Policies:**

**a. Basis of preparation and presentation of financial statements**

**i. Accounting Convention**

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provision of the Act.

**ii. Historical cost convention**

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

**iii. Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires the use of accounting estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from estimates.

**iv. Fair Valuation**

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**b. Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period; or



- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- The Company classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

### c. Property, plant & Equipment

#### i. Property, plant and equipment

All the items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation, and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on start-up and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged off in the relevant reporting period in which they are incurred.

Cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

#### ii. Intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.

- Development activities involve a plan or design to produce new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets that are acquired (including implementation of software system) are measured initially at cost.



- o After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

**iii. Biological Assets**

Biological assets are classified as bearer biological assets and consumable biological assets.

Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear produce capable of being used in manufacture are classified as bearer plants.

The Company recognises plants, bushes which are grown and ultimately consumed in the production process as consumable biological assets.

Considering the type of industry and the unpredictability of future economic benefit, expenditure incurred on bearer biological assets is not capitalised.

**iv. Depreciation and amortization methods, estimated useful lives and residual value**

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs.

Software is amortised over a period of five years being their useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

**v. Derecognition**

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

**d. Impairment of non-financial assets**

The Company's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. Impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**e. Financial instrument**

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of investments in subsidiaries and joint ventures, loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings, trade payables and financial guarantee contracts.

**i. Financial assets**

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition. After initial recognition all financial assets (other than investments in subsidiaries and joint ventures, other equity investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method. The Company has not designated any financial asset as Fair Value through Profit or



Loss (FVTPL). A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets, (i.e. the shortfall between all contractual cash flows that are due and all the cash flows (discounted) that the entity expects to receive).

**Investments in subsidiaries and joint ventures:**  
The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27.

**ii. Financial liabilities**  
Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities on initial recognition. After initial recognition, all financial liabilities are subsequently measured at amortized cost using the effective interest method. The Company has not designated any financial liability as FVTPL.

**f. Inventories**  
Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value. Stores and Spares are valued at Cost. The methods of determining cost of various categories of inventories are as follows:

Raw Materials	Cost
Stores and Spares	
Work in Progress	
Finished goods (Manufactured)	
Finished goods (Traded)	
Nursing Inventory	

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable. Excise duty liability is included in the valuation of closing inventory of finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

**g. Trade Receivables**  
The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. Management believes that the amounts that are past the credit period are still collectible in full based on historical payment behaviour and analysis of customer credit risk.

**h. Provisions**  
A provision is recognized if, because of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The amount recognized as a provision is the best estimate of the



consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation.

**i. Cash and cash equivalents**

Cash and cash equivalent comprise cash at banks and on hand (including imprest) and short-term deposits with maturity of three months or less, which are subject to an insignificant risk of changes in value. Balances held as margin money which are under lien against bank guarantee are classified as bank balances other than cash and cash equivalents.

**j. Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in profit or loss except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**i. Current Income Tax**

Current Income tax is measured based on the estimated taxable profit for the year and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted.

**ii. Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in future to allow the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted.

**iii. Minimum Alternate Tax**

In accordance with the prevalent tax laws, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in any year is eligible for carry forward and set-off against normal income tax liability.

**k. Revenue recognition**

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product.

Revenue from service is recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with the customer.

**Other Operating Revenue**

Other Operating Revenue comprise of Income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Revenue includes sale of cultivated plants. The entity has biological assets and agricultural produce is harvested from biological asset which are bearer biological assets and consumable biological assets.

**l. Rent Deposit**

As rent deposits do not meet the criteria of amortized cost, are measured at Fair value and classified as fair value through other comprehensive income.

**m. Properties taken on lease**

Properties taken on lease by the Company are operating leases as the lease terms do not transfer substantially all risks and rewards incidental to ownership of such properties to the Company. Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Interest free lease deposits are remeasured at amortised cost by the effective interest rate method. The difference between the transaction value of the deposit and amortised cost is regarded as prepaid rent and recognised as expense uniformly over the lease period.

**n. Capital Work in Progress**

Project expenditure incurred as part of Development is capitalised under Capital Work in Progress as the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Company has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

**o. Other income**

Other income consists of interest income on funds invested. Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest rate method on time proportion basis.

**p. Employee benefits**

**i. Short-term benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short-term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**ii. Other Long-Term benefits:**

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

**Gratuity**

The Company has an obligation towards gratuity as per actuarial valuation.

**Provident fund**

Payments to defined contribution plans are recognised as expense when employees have rendered service entitling them to the contributions.



The basis for determination of liability is as under:		Rs. In lacs	
		Gratuity	
		Current year	Previous year
Change in present value of obligation		-	-
1.	Present value of the obligation at the beginning of the year	503.86	489.88
2.	Current service cost	33.69	31.65
3.	Interest on defined benefit obligation	32.45	30.33
4.	Actuarial (gain)/loss	(51.09)	21.30
5.	Benefits paid	(20.43)	-(69.29)
6.	Present value of obligation at the end of the year	498.48	503.86
Liability recognized in the Financial statements		-	-
Long term		429.47	429.87
Short term		69.01	73.99
Costs for the year		-	-
Change in the present value of obligation			-
1.	Current service cost	33.70	31.65
2.	Interest Cost	32.45	30.33
3.	Actuarial (gain)/loss	-	-
4.	Total Expenses	66.15	61.98
Main Actuarial Assumptions			
Discount rate(p.a)		7.45%	6.95%
Salary escalation rate (p.a)		8.00%	8.00%
Method		Projected Unit Credit Method	Projected Unit Credit Method

- q.

Finance Costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are charged to revenue.
- r.

Foreign Currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end

of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date and recognised in profit or loss in the period in which they arise.

- Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 3. Financial instruments - Fair values and risk management

#### A. Accounting classification and fair values

Amt in Lacs

2023	Carrying Amount				Fair Value		
Particulars	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non-current financial assets							
Investments							
In subsidiaries( Unquoted)	1133.68	-	-	1133.68	-	1133.68	-
Non-trade ( unquoted)	2.63	-	-	2.63	-	2.63	-
Non trade( quoted)	.28	-	-	.28	-	.28	-
Loans	-	-	2338.69	2338.69	-	2338.69	-
Other Financial assets	456.54	-	-	456.54	456.54	-	-
Current Financial asset							
Trade receivable	1207.35	-	-	1207.35	1207.35	-	-
Cash and cash equivalent	54.62	-	-	54.62	54.62	-	-
	2855.10	-	2338.69	5193.79	1718.51	3475.28	-
Non-Current Financial liabilities							
Borrowings	24.97	-	4018.06	4043.03	24.97	4018.06	-
Current Financial liabilities							
Borrowings	2202.05	-	-	2202.05	2202.05	-	-
Trade Payables	598.18	-	-	598.18	598.18	-	-
	2825.20	-	4018.06	6843.26	2825.20	4018.06	-



Amt in Lacs

2022	Carrying Amount				Fair Value		
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non-current financial assets							
Investments							
In subsidiaries( Unquoted)	1,133.68	-	-	1,133.68	-	1,133.68	-
Non-trade ( unquoted)	2.63	-	-	2.63	-	2.63	-
Non trade( quoted)	0.28	-	-	0.28	-	0.28	-
Loans	-	-	1,892.56	1,892.56	-	1,892.56	-
Other Financial assets	556.02	-	-	556.02	556.02	-	-
Current Financial asset	-	-	-	-	-	-	-
Trade receivable	1,036.16	-	-	1,036.16	1,036.16	-	-
Cash and cash equivalent	13.22	-	-	13.22	13.22	-	-
	2741.99		1892.56	4634.55	1605.4	3029.14	-
Non-Current Financial liabilities							
Borrowings	392.56	-	2,483.71	2876.27	392.56	2,483.71	-
Current Financial liabilities							
Borrowings	3262.72	-	-	3262.72	3262.72	-	-
Trade Payables	537.47	-	-	537.47	537.47	-	-
	4,192.75	-	2,483.71	6,676.46	4,192.75	2,483.71	-

**B. Measurement of fair values**

The fair value of liquid mutual funds and long-term equity investment is based on quoted price. Fair values of certain non-current investment are valued based on discounted cash flow/book value/EBITDA multiple approach.

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

**i. Risk management framework**

The Risk Management Committee of the Board is entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive risk management policy relating to the risks that the Company faces under various categories like strategic, operational, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The Risk Management Committee reviews the key risks and the mitigation measures periodically. The Audit Committee has additional oversight in the area of financial risks and control.

**ii. Credit risk**

Credit risk is the risk that counter-party will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and financing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the company is certain about the non-recovery.

**iii. Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short-term fund based lines, which provides healthy liquidity and these carry highest credit quality rating from reputed credit rating agency.

Kerala Ayurveda Limited

Note 4: Property, Plant and Equipment

Particulars	TANGIBLE ASSETS										Amount in Lakhs		
	Land	Building	Plant & Machinery	Electrical fittings	Furniture & Fixtures	Office equipments	Computer & Accessories	Vehicles	Misc fixed assets	Total	Web Development /Software expenditure	Project Patent expenses	Capital work in progress
At Cost													
Gross Block as at 31st March 2022	1,118.02	546.29	492.02	71.39	351.69	128.01	109.46	33.74	24.94	2,875.56	94.67	1,116.22	234.39
Other acquisition	-	269.27	23.78	1.95	3.87	2.50	7.90	-	-	309.27	0.19	6.67	-
Disposal	-	1.08	-	7.06	33.16	1.15	0.09	-	-	42.54	-	-	234.39
Gross Block as at 31st March 2023	1,118.02	814.48	515.80	66.28	322.40	129.36	117.27	33.74	24.94	3,142.29	94.86	1,122.89	-
Depreciation & Impairment													
Balance as at 31st March 2022	-	286.07	360.50	53.98	303.44	116.38	83.59	26.73	1.44	1,232.12	57.85	-	-
Depreciation charge for the year	-	17.27	17.65	2.80	7.22	1.79	6.40	1.92	-	55.05	8.85	-	-
Disposal	-	0.67	-	3.63	20.66	0.69	0.06	-	-	25.71	-	-	-
Balance as at 31st March 2023	-	302.67	378.15	53.15	290.00	117.48	89.93	28.65	1.44	1,261.45	66.70	-	-
Carrying Value													
As at 31st March 2022	1,118.02	260.22	131.52	17.41	48.26	11.63	25.87	7.01	23.50	1,643.44	36.82	1,116.22	234.39
As at 31st March 2023	1,118.02	511.81	137.65	13.13	32.40	11.88	27.34	5.09	23.50	1,880.82	28.16	1,122.89	-



**Kerala Ayurveda Limited**

Notes forming part of the financial statements for the year ended 31.03.2023

	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount in Lakhs	Amount in Lakhs
5	<b>Financial Assets- Investments</b>		
	<b>In Subsidiary Companies (Unquoted, At cost)</b>		
	16,65,000 equity shares of Rs 10 each in Ayurvedagram Heritage Wellness Centre Pvt Ltd	642.87	642.87
	100 Common stock of no par value in Suveda Inc. (formerly known as Ayu.Inc)	0.06	0.06
	100 Common stock of no par value in Ayu Natural Medicines Clinic PS., USA	215.16	215.16
	100 Common stock of no par value in Ayurvedic Academy Inc., USA	272.43	272.43
	817 Common stock of USD 1 par value in CMS Katra Holdings LLC, USA	0.35	0.35
	6201 Shares of face value 1 Sing \$ in Nutravada Pte Ltd, Singapore	2.82	2.82
	<b>Non Trade (Quoted, At cost)</b>		
	500 equity shares of Rs 10 each fully paid up in Canara Bank Ltd(Quoted) Market Value Rs 228.75 last Year Rs 152 per share	0.28	0.28
	<b>Non Trade (Unquoted, At cost)</b>		
	14 Equity Shares of Rs.10000/- each in Confederation for Ayurvedic Renaissance Keralam Pvt Ltd	2.63	2.63
	<b>Total</b>	<b>1,136.60</b>	<b>1,136.60</b>
6	<b>Financial Assets-Loans</b>		
	<b>Loans to Subsidiaries</b>		
	Ayurvedic Academy Inc -WC Loan	585.36	253.93
	CMS Katra Holding LLC Loan	723.80	676.45
	Nutravada PTE Loan	0.38	0.36
	Suveda Inc-WC Loan	1,029.15	961.83
	<b>Total</b>	<b>2,338.69</b>	<b>1,892.57</b>
7	<b>Financial assets-Other financial assets</b>		
	<b>Deposits with Govt. Authorities</b>		
	Electricity Deposit	12.59	11.27
	Sales Tax Deposit	0.47	0.47
	<b>Total</b>	<b>13.06</b>	<b>11.74</b>
	<b>Deposits with others</b>		
	Security Deposit	2.96	2.96
	Gas Deposit	0.98	0.98
	Other Deposit	1.30	1.20
	Rent Deposit-Building	133.21	118.58
	Telephone Deposit	1.09	1.09
	<b>Total</b>	<b>139.54</b>	<b>124.81</b>
	<b>Bank Deposits with Original maturity more than 12 Months</b>	17.23	117.68
	Deferred Product Development Exp	286.71	301.79
	<b>Total</b>	<b>456.54</b>	<b>556.02</b>
8	<b>Income Tax assets(net)</b>		
	Income Tax advance	45.55	42.67
	MAT credit entitlement a/c	174.66	135.13
	<b>Total</b>	<b>220.21</b>	<b>177.80</b>

9	<b><u>Inventories</u></b>		
	Finished Goods	236.54	288.60
	Goods in transit	12.66	1.99
	Furnace Oil	4.74	1.77
	Packing Material	119.11	89.60
	Raw Material	65.37	56.17
	Stores & Spares	2.38	3.62
	Work in Progress	203.53	173.16
	WIP Nurse Training Deferred	323.22	323.22
	<b>Total</b>	<b>967.55</b>	<b>938.13</b>
10	<b><u>Financial assets- Trade receivables</u></b>		
	Unsecured, considered good	1,207.35	1,036.16
	Less, Allowance for Doubtful debts		
	<b>Total</b>	<b>1,207.35</b>	<b>1,036.16</b>
11	<b><u>Cash and cash equivalents</u></b>		
	Cash on hand	3.53	5.14
	Cheques, Drafts on hand	-	2.09
	SBI -Athani Collection A/c (Cheques on hand)	5.49	0.14
	Balances with banks		
	Axis Bank-Aluva	-	0.54
	State Bank of India,Athani	42.46	1.68
	Balances with Banks (Bangalore Branch) & UPI Apps	3.10	3.56
	<b>Total</b>	<b>54.58</b>	<b>13.15</b>
12	<b><u>Other Current Assets</u></b>		
	Advance for Purchase	43.04	154.19
	Advance to employees	9.49	10.77
	Other Advances		
	Festival Advance	0.06	0.11
	KAL Ayurveda Research & Education Foundation	1.67	0.59
	KAL Group Gratuity Fund Trust/Pension & Gratuity Scheme	0.91	-
	Family Floater Policy(Employee)	2.72	2.93
	ADVANCE-SD PHARMACY	49.28	49.28
	Capital Advance SDP	40.14	40.14
	Deposit-SD Pharmacy	25.00	25.00
	Interest Receivable SDP	42.07	42.07
	Katra Phytochem India Private Ltd	-	13.28
	TDS Claimable(Amazon, Pickrr and Kotak)	1.50	0.02
	GST-Input	9.91	1.74
	Agents commission payable		0.15
	Forex Cash	1.26	1.15
	Prepaid Expense	22.94	10.06
	<b>Total</b>	<b>249.99</b>	<b>351.48</b>



**Kerala Ayurveda Limited**

Notes forming part of the financial statements for the year ended 31.03.2023

	Particulars	As at 31st March,2023		As at 31st March,2022	
		Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
13	Share capital				
	(a) Authorised Capital				
	Equity shares of Rs 10/- each with voting rights	1,20,00,000	1,200.00	1,20,00,000	1,200.00
	(b) Issued Capital				
	Equity shares of Rs 10/- each with voting rights	1,05,55,670	1,055.57	1,05,55,670	1,055.57
	(c) Subscribed and fully paid up				
	Equity shares of Rs 10/- each with voting rights	1,05,55,670	1,055.57	1,05,55,670	1,055.57
	Total	1,05,55,670	1,056	1,05,55,670	1,056
Notes:					
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:					
	Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
	Equity shares with voting rights				
	Year ended 31 March, 2023		-	-	-
	- Number of shares	1,05,55,670	-	-	1,05,55,670
	- Amount (In Lakhs.)	1,055.57	-	-	1,056
	Year ended 31 March, 2022				
	- Number of shares	1,05,55,670	-	-	1,05,55,670
	- Amount (In Lakhs.)	1,055.57	-	-	1,056
(ii) Rights, Preferences and restrictions attached to Equity Shares:					
The Company has one class of equity shares, having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company in proportion to their share holding.					
(iii) Details of shares held by each shareholder holding more than 5% shares:					
	Class of shares / Name of shareholder	As at 31st March,2023		As at 31st March,2022	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
	Equity shares with voting rights Katra Holdings Ltd	64,93,435	61.52%	64,93,435	61.52%
(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:					
	Particulars	Equity shares with voting rights-No of Shares			
		Opening Balance	Fresh issue	Buy back	Closing Balance
	As at 31 March, 2023				
	M/s Katra Holdings Ltd, the holding company	64,93,435			64,93,435
	As at 31 March, 2022				
	M/s Katra Holdings Ltd, the holding company	64,93,435			64,93,435

14	<b>Other Equity</b>		
	Capital Reserve	45.42	45.42
	Share Premium	1,145.15	1,145.15
	General Reserve	17.98	17.98
	Surplus / (Deficit) in Statement of Profit and Loss		
	At the commencement of the year	(1,136.59)	(1,260.00)
	Add: Profit for the year	325.73	123.41
	Net Surplus / (Deficit) in the Statement of Profit and Loss	(810.86)	(1,136.59)
	<b>Total</b>	<b>397.69</b>	<b>71.96</b>
15	<b>Financial Liabilities- Borrowings (Non Current)</b>		
	Term loans		
	ECL Finance Limited Moratorium Loan	-	316.67
	Samunnati Financial Intermediation & Services Pvt Ltd	24.97	75.90
	Katra Phytochem India Private Ltd	1,191.36	-
	Katra Holding Pvt Ltd	2,826.70	2,483.71
	<b>Total</b>	<b>4,043.03</b>	<b>2,876.28</b>
16	<b>Financial Liabilities-Provisions (Non Current)</b>		
	Provision for Gratuity	429.47	429.87
	<b>Total</b>	<b>429.47</b>	<b>429.87</b>
17	<b>Other Non- Current Liabilities</b>		
	C&A Deposit	13.00	14.00
	Deposits from Others	21.50	9.50
	<b>Total</b>	<b>34.50</b>	<b>23.50</b>
18	<b>Financial Liabilities -Borrowings(Current)</b>		
	Secured loan repayable on demand		
	Kotak Mahindra Bank-Bangalore (OD)	(0.55)	523.35
	Kotak Mahindra Bank-Ernakulam (OD)	(117.49)	(7.18)
	Kotak Mahindra Bank Short Term Loan	-	173.24
	<i>(Credit Facilities from Kotak Mahindra Bank are secured Against exclusive charge on entire current assets of the Company both present and future, Collateral in the form of equitable mortgage of land belonging to the Company in Kalloor Thekkummuri Village, Trichur District and mortgage of land belonging to Chairman situated at Bangalore and personal guarantee of Chairman)</i>		
	SBM Bank (India) Limited	1,336.93	-
	<i>(Credit Facilities from SBM India Ltd are secured Against first charge on all current assets, including book debts, both present &amp; future, Collateral in the form of equitable mortgage of 6.37 Acres land belonging to Ayurvedagram Heritage Wellness Pvt Ltd, subsidiary of the company located in (40/1, Hemandanahali and 114, Naganayakanakote) and mortgage of land belonging to Chairman situated at Bangalore (S. Nos.24 and S. No. 17 at Seegenaykanahalli village, Sarjapura Hobli post, Tal. Anekal, Dist. Bangalore-562114)</i>		
	ECL Finance Limited	983.16	2,573.30
	<i>(Secured by Lien on Fixed Deposit held with Kotak Mahindra Bank and personal guarantee of the Directors)</i>		
	<b>Total</b>	<b>2,202.05</b>	<b>3,262.71</b>
19	<b>Trade Payables</b>		
	Trade payables outstanding dues to MSMEs under MSMED Act, 2006		
	Sundry Creditors-RM	338.15	299.99
	Sundry Creditors-PM	85.77	85.83
	Sundry Creditors- Others	174.26	151.65
	<b>Total</b>	<b>598.18</b>	<b>537.47</b>



20	<b>Other current liabilities</b>		
	Other payables		
	Tata Global Beveraged Limited	-	225.00
	Advances from Customers	430.50	228.81
	<b>Statutory Liabilities</b>		
	GST Payable	10.62	8.61
	TDS Payable	112.61	73.78
	ESI Payable	1.07	1.10
	Labour Welfare Fund Payable	0.07	0.03
	LIC /PLI Payable	0.89	0.89
	Professional Tax Payable	0.13	0.12
	Provident Fund Payable	15.75	11.77
	<b>Accrued Employee Liabilities</b>		
	T A Payable	16.11	13.43
	Salary Payable	121.91	110.24
	Rent Payable	14.78	15.56
	<b>Other Current Liabilities</b>		
	Communication Expense Payable	-	0.34
	Electricity Charges Payable	2.02	1.79
	Postage & Communication Payable	-	0.06
	KAPL Co-Operative Society	5.39	4.63
	Carriage Outwards Payable	7.09	5.63
	Recreation Club	0.11	0.05
	Ref Commission Payable	2.09	1.00
	Salaries & Wages advance	0.17	-
	Biju George & Co. (Chartered Accountant)	0.45	-
	Ishita Enterprises(Interest/Exp Payable)	-	2.01
	Shiva Sales Exp Payable	3.68	1.75
	Showraa Agencies(Exp)	3.56	3.99
	KAL Corporate CC - 4624099650008790	3.22	3.18
	Expense Payable	33.49	22.03
	Provision for gratuity	69.01	73.99
	Payable to employees	34.02	38.99
	<b>Total</b>	<b>888.74</b>	<b>848.78</b>
21	<b>Provision (Others)</b>		
	Bonus Payable	53.17	48.68
	Privilege Leave Encashment Payable	10.43	8.61
	Provision for MAT	39.52	6.55
	<b>Total</b>	<b>103.12</b>	<b>63.84</b>

**Kerala Ayurveda Limited**

Notes forming part of the financial statements for the year ended 31.03.2023

Notes	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
		Amount in Lakhs	Amount in Lakhs
22	<b>Revenue from Operations</b>		
	(a) Sale of products	5,311.73	4,993.56
	(b) Sale of services	1,018.14	586.35
	<b>Total</b>	<b>6,329.87</b>	<b>5,579.91</b>
	<b>(a) Sale of products comprises:</b>		
	Sales Product-CRD	2,670.20	2,488.54
	Sales Product-PRD	2,347.19	2,142.99
	Sales-CRD -Export	73.13	109.50
	Sales-PRD -Export	10.83	18.57
	Sales-Export -Others	5.17	-
	Sales-Others	75.67	55.42
	Sales-RM/PM	129.54	178.54
	<b>Total</b>	<b>5,311.73</b>	<b>4,993.56</b>
	<b>(b) Sale of services comprises:</b>		
	Health Services		
	Treatment Income-Clinics & Branches(OP)	487.58	315.07
	Treatment Income-IP-Hospitals	188.24	111.64
	Room Rent Received-Hospitals	124.53	49.98
	Registration Fee Received(Branches)	55.14	31.65
	Diet Food Income-IP	42.45	12.78
	Treatment Vouchers Sales	36.00	-
	Laboratory Charges Received-Hospital	5.41	4.04
	Nursing Fee Received-Hospitals	18.23	6.84
	<b>Total</b>	<b>957.58</b>	<b>532.00</b>
	Other Services		
	Training Income	23.92	19.24
	Scrap Sales-HO	3.39	2.25
	Profit on Sale of Fixed Assets	0.01	0.04
	Laundry Charges	0.64	0.15
	Scrap Sales Branches	0.14	0.01
	Income From Cultivation	3.82	2.46
	Dividend Received	0.04	-
	Brand Usage Fee(Franchisee)	11.50	15.00
	Recovery of Medicine -Br	-	-
	Misc. income Branches and HO	0.39	0.12
	Other Recoveries (Branches)	0.44	0.04
	Transportation Charges	2.69	-
	Shipping charge/Collection charge/COD charge	12.21	11.52
	Incentive received from MEIS Scheme	-	3.52
	Exchange rate difference	1.37	-
	<b>Total</b>	<b>60.56</b>	<b>54.35</b>
	<b>Total Sale of Services</b>	<b>1,018.14</b>	<b>586.35</b>
23	<b>Other Income</b>		
	Interest Received	6.02	30.49
	<b>Total</b>	<b>6.02</b>	<b>30.49</b>



Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31.03.2023			
24	<b>Cost of materials consumed</b>		
	<u>Raw Material</u>		
	Opening stock	56.17	111.65
	Add: Purchases	1,278.46	1,198.64
	Less: Closing stock	65.37	56.17
	(A)	1,269.26	1,254.12
	<u>Packing Material</u>		
	Opening Stock	89.60	72.80
	Add: Purchase	371.20	336.47
	Less: Closing Stock	119.11	89.60
	(B)	341.69	319.67
	<b>Cost of material consumed (A+B)</b>	<b>1,610.95</b>	<b>1,573.79</b>
25	<b>Purchases of Medicines (Stock In Trade)</b>		
	Purchase of Medicines	144.25	62.73
	<b>Total</b>	<b>144.25</b>	<b>62.73</b>
26	<b>Changes in inventories of stock of F G, WIP &amp; Stock in trade</b>		
	<b>Inventories at the end of the year:</b>		
	Finished Goods	249.20	290.59
	Work In Progress	203.53	173.16
	<b>Total</b>	<b>452.73</b>	<b>463.75</b>
	<b>Inventories at the beginning of the year:</b>		
	Finished Goods	290.59	263.29
	Work In Progress	173.16	173.48
	<b>Total</b>	<b>463.75</b>	<b>436.77</b>
	<b>Net (increase) / decrease</b>	<b>11.02</b>	<b>(26.98)</b>
27	<b>Employee benefits expense</b>		
	<b>Salaries and wages</b>		
	Wages & Salaries-Production	252.26	223.38
	Bonus Production	30.23	9.67
	Gratuity- Production	8.09	33.46
	Salary- Logistics	22.04	13.38
	Salary - Research and Development	28.36	18.28
	Salary - Business Development Executives	272.13	208.10
	Salary- Regional Sales Managers	43.67	44.30
	Salary- Doctor	93.07	75.22
	Salary- Therapist	132.11	109.01
	Salary- Support staff	259.64	161.64
	Salaries-Corporate Office	163.37	99.04
	Bonus	23.84	7.94
	Gratuity	4.36	18.01
	Performance Incentive	-	2.08
	Leave Travel Allowance	2.42	3.36
	PL Encashment	12.34	17.70
	<b>Total</b>	<b>1,347.93</b>	<b>1,044.57</b>

**Kerala Ayurveda Limited**

Notes forming part of the financial statements for the year ended 31.03.2023

	<b>Employer Contribution</b>		
	EDLI & Other Fund Contribution	2.54	2.30
	ESI Companies Contribution	10.36	9.72
	PF Co. Contribution	70.22	65.21
	<b>Total</b>	<b>83.12</b>	<b>77.23</b>
	<b>Staff welfare expenses</b>		
	Staff Quarters Rent Paid -HS	26.99	16.48
	Staff Quarters Rent Paid-HO	-	0.16
	Medical Expenses-HO	0.33	0.16
	Free Medicines (Branches/depot)	-	0.01
	Other staff welfare expenses	4.00	3.92
	Tea & Food Expense	131.95	68.69
	Uniform Expenses-HS	2.95	0.64
	Uniform, Chappal Allowances-HO	1.12	4.98
	<b>Total</b>	<b>167.34</b>	<b>95.04</b>
	<b>Employee Benefit Expenses Total</b>	<b>1,598.39</b>	<b>1,216.84</b>
28	<b>Finance costs</b>		
	Interest expenses on borrowings	-	-
	Interest expenses on Working Capital	414.34	578.09
	Interest expenses on Others	29.79	10.73
	<b>Total</b>	<b>444.13</b>	<b>588.82</b>
29	<b>Depreciation expenses</b>		
	Depreciation	63.90	76.63
	<b>Total</b>	<b>63.90</b>	<b>76.63</b>
30	<b>Other expenses</b>		
	Rent	244.73	190.85
	<b>Bank Charges</b>		
	Bank Charges	24.20	7.19
	Bank Charges-Corporate	2.21	0.96
	Bank Charges (Branches)	10.66	6.43
	Bank Charges (Depots)	0.09	(0.02)
	<b>Total</b>	<b>37.16</b>	<b>14.56</b>
	<b>Rates &amp; Taxes</b>	5.68	5.60
	<b>Legal &amp; Professional charges</b>		
	Legal Charges-HO/Br	1.18	0.51
	Professional Charges-HO	15.83	18.72
	Professional Charges-Br/Depot	43.51	19.27
	Consultancy Charges Corporate	3.34	15.96
	<b>Total</b>	<b>63.86</b>	<b>54.46</b>
	Directors Sitting Fee	6.55	4.65
	<b>Research and Development Expenses</b>		
	Analytical Expenses-R&D	1.12	2.91
	Analytical Expenses-Export	2.99	1.61
	Research & Development Expense	32.05	7.06
	<b>Total</b>	<b>36.16</b>	<b>11.58</b>
	<b>Travelling Expenses (Others)</b>		
	Travelling -Others	30.90	10.78
	Travelling Expenses-Conveyance	0.82	0.39
	<b>Total</b>	<b>31.72</b>	<b>11.17</b>



**Kerala Ayurveda Limited**

Notes forming part of the financial statements for the year ended 31.03.2023

<b>Repairs &amp; Maintenance- Others</b>		
R&M-Electrical Equipment	6.97	4.70
R&M-F & F and Office Machines	0.14	0.60
R&M-Other Assets	29.66	8.81
R&M-Others	1.78	4.13
<b>Total</b>	<b>38.55</b>	<b>18.24</b>
<b>Vehicle Expenses-HO/HS</b>	3.50	1.58
Insurance	10.74	24.89
Printing & Stationery Expenses	25.76	15.01
<b>Postage &amp; Telephone</b>		
Postage & communication Exp	6.64	7.04
Internet & Link Charges	7.36	10.47
<b>Total</b>	<b>14.00</b>	<b>17.51</b>
<b>Secretarial Expenses</b>		
Secretarial Expense-AGM	1.49	1.48
Secretarial Expenses	15.27	11.41
Secretarial Expenses-Listing Fee	3.00	3.00
<b>Total</b>	<b>19.76</b>	<b>15.89</b>
Repairs to Building	7.32	16.80
Conveyance Expenses	0.33	7.73
Canteen Expenses	15.21	5.98
Electricity charges (Branches/Depot)	25.45	20.38
<b>Other Administrative Expenses</b>		
Office Expenses	13.32	11.06
Loss on Sale of Fixed Asset	0.65	-
Bad Debts W/off	(16.56)	13.94
IT Expenses-HO/Br/Depot	10.02	6.87
Interest on Income tax	0.05	-
Income Tax Expenses	(0.13)	-
Round off/W Off	(0.01)	(0.01)
Security Expenses	22.99	20.68
GST Paid Ineligible	11.13	7.68
Printing Ink Expense	0.42	-
Membership/Subsription Expenses-HO/Br	1.74	1.40
Miscellaneous Expenses-Branche/BO	-	-
News Paper, Books& Periodicals	0.56	0.44
Pooja Expenses	1.29	-
Cleaning Expenses-HO	0.84	1.47
Diesel (Branches)	1.11	0.86
Brokerage & Commission	3.37	0.54
Audit expenses	0.83	0.63
PF & ESI Damages	2.10	-
Recruitment Expenses	0.02	0.75
House Keeping Expenses	3.55	-
Software Subscription Charges	0.74	-
<b>Total</b>	<b>58.03</b>	<b>66.31</b>
Internal Audit fee	0.50	0.50
Audit fee	5.00	3.00
<b>Travelling-Sales Staff</b>		
Travelling Expenses-Allowances	124.02	89.51
Travelling Expenses-Boarding & Lodging	9.09	5.64
Travelling Expense -Tickets	60.28	19.34
<b>Total</b>	<b>193.39</b>	<b>114.49</b>

**Kerala Ayurveda Limited**

Notes forming part of the financial statements for the year ended 31.03.2023

<b>Advertisements</b>		
Advertisement and Publicity-HO	1.15	0.98
Advertisement and Publicity-HS/Depot	2.36	0.45
<b>Total</b>	<b>3.51</b>	<b>1.43</b>
<b>Commission &amp; Discount</b>		
Ref. Commission-HS	14.15	12.07
C & F Commission Paid	12.14	9.80
D-KALP Commission	1.36	-
Commission		
Compliments (Branches)	2.46	0.62
Agents Commission	13.76	18.33
Discount-Secondary Scheme-Depot	0.07	0.02
<b>Total</b>	<b>43.94</b>	<b>40.84</b>
<b>Training Expenses</b>		
Demo Expenses (Branches)	0.27	0.06
Training Expenses	2.72	1.41
<b>Total</b>	<b>2.99</b>	<b>1.47</b>
<b>Freight Expenses</b>		
Secondary Freight	97.24	86.91
Vehicle Running Expenses-Delivery V	5.30	5.18
Export Freight	25.37	54.88
Freight on Export Samples	-	0.33
Secondary Loading/Unloading	2.27	1.92
Primary Loading/Unloading	1.71	2.15
<b>Total</b>	<b>131.89</b>	<b>151.37</b>
<b>Sales promotion Expenses</b>		
Sales Promotion Expenses-Depot/E Com	91.29	30.66
Cash Discount (Branches/HO)	1.24	1.05
Cash Discount-Depo	9.68	11.82
Sales Promotion Head Office	5.96	0.75
Sales Promotion Health Service	0.80	2.68
Sales Promotion Corporate Office	8.25	-
Cost of Samples	45.41	38.30
<b>Total</b>	<b>162.63</b>	<b>85.26</b>
<b>Other Selling &amp; Distribution Expenses</b>		
Meeting Expenses	9.34	0.53
Medicine recovery	(0.32)	0.50
Transaction Charge-E Com	162.27	96.52
Incentive-Pharmacist	-	0.42
Incentive-Therapists	0.15	1.44
Webinar Charges	-	1.21
Website Charges	126.27	65.04
Business Development Expenses	-	0.34
Medical Camp/Seminar/Exhibition Expenses	4.48	0.48
Exchange Rate Difference	-	0.60
<b>Total</b>	<b>302.19</b>	<b>167.08</b>



Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31.03.2023			
	<b>Other Manufacturing Expenses</b>		
	Fuel Consumed	149.37	149.85
	Electricity charges	21.83	21.82
	Repairs to Plant & Machinery	21.31	21.30
	Repairs to Building	6.23	0.76
	Job Works	238.22	188.20
	Consumables	6.15	7.55
	Diesel	2.62	2.12
	Material Handling	0.55	1.10
	Pest Control Expenses	1.08	1.31
	Water Charges	0.73	0.89
	Primary Freight	21.41	23.26
	<b>Total</b>	<b>469.50</b>	<b>418.16</b>
	<b>Cultivation Expenses</b>	3.29	1.63
	<b>Treatment Expenses</b>		
	Cleaning Expenses (Branches/Depot)	59.19	44.55
	Consultation Fee Paid (Branches)	15.51	14.68
	Consumables Purchase (Branches)	32.57	26.64
	Consumables Purchase -HS	6.94	1.08
	Laboratory Charges (Branches)	1.34	1.11
	LPG (Branches)	5.81	4.65
	Water Charges (Branches/Depot)	7.24	5.56
	<b>Total</b>	<b>128.60</b>	<b>98.27</b>
	<b>Indirect tax</b>	417.49	408.09
	<b>Other Expenses Total</b>	<b>2,509.43</b>	<b>1,994.78</b>
	<b>Payments to the auditors comprises (net of service tax input credit, where applicable):</b>		
	As auditors - Statutory audit & Tax Audit	5.00	3.00
	For company law matters	-	-
	For management services	-	-
	Reimbursement of expenses	0.83	0.63
	<b>Total</b>	<b>5.83</b>	<b>3.63</b>

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31st March, 2023			Rs. in Lakhs
Note	Particulars	31st March, 2023	31st March, 2022
31	Earnings In Foreign Currency		
	Export of Medicine	89.13	128.07
	Total	89.13	128.07
	Expenditure in Foreign Currency :		
	Import of Packing Material	26.40	-
	Total	26.40	-
32	Managerial Remuneration		
	To the Whole Time Director		
	Salary	15.36	14.63
	Other Allowances	15.24	14.04
	Total	30.60	28.67
33	Related Party Disclosure under Ind Accounting Standard 24:		
	A. Names of related parties and nature of related party relationships		
	Description of relationship	Names of related parties	
	Holding Company	Katra Holdings Ltd, Mauritius	
	Subsidiary Companies	Ayurvedagram Heritage Wellness Centre Pvt Ltd	
		Suveda Inc	
		Ayu Natural Medicine Clinic PS, USA	
		Ayurvedic Academy Inc., USA	
		Nutraveda Pte Ltd	
		CMS Katra Holdings LLC, USA	
		CMS Katra Nursing LLC, USA	
	Companies' where Promoter Director is having control/significant influence	All Seasons Herbs Pvt. Ltd.	
		KAL Ayurveda Research & Education Foundation	
		Katra Holding Pvt. Ltd.	
		S R Pharmaceuticals	
		Katra Phytochem India Pvt. Ltd.	
		Confederation for Ayurvedic Renaissance Keralam Ltd.	
		Mason & Summers Leisure Pvt. Ltd.	
	Director/Key Managerial Person	Dr K Anil Kumar, Whole time Director	
		Mr George KT, CFO	
		Ashitha BR, Company Secretary	
		Ms Jyothi Gulecha, Company Secretary	
	Note: Related parties have been identified by the Management.		
	Loans given to Subsidiary companies under the old companies act and are in the process of repayment		
B. Transaction with Related Parties			
	Particulars	31st March, 2023	31st March, 2022
	Loan Received from Related Party		
	Ayurvedagram Heritage Wellness Centre Pvt Ltd	244.00	378.78
	Katra Holding Pvt. Ltd.	1,017.00	0.99
	Katra Phytochem India Pvt. Ltd.	1,282.69	914.08
	Repayment of Loan to Related Party		
	Ayurvedagram Heritage Wellness Centre Pvt Ltd	22.00	60.79
	Katra Holding Pvt. Ltd.	800.00	1.04
	Katra Phytochem India Pvt. Ltd.	115.55	933.05
	Interest Expenses on Loan from Related Party		
	Katra Phytochem India Pvt. Ltd.	23.74	-
	Repayment of Advance by Related Party		
	Ayurvedagram Heritage Wellness Centre Pvt Ltd	-	422.96
	Ayurvedic Academy Inc., USA	-	434.08
	Suveda INC	-	122.95
	Interest Income from Loan to Related Party		
	Ayurvedagram Heritage Wellness Centre Pvt Ltd	-	25.07



<b>Sales of Goods to Related Party</b>			
Ayurvedagram Heritage Wellness Centre Pvt Ltd	92.67	54.70	
Suvedha INC	61.22	109.54	
Katra Phytochem India Pvt. Ltd.	3.86	2.44	
KAL Ayurveda Research Foundation	0.30	-	
<b>Purchase Goods or Service from Related Party</b>			
All Seasons Herbs Pvt. Ltd.	13.81	17.30	
Katra Phytochem India Pvt. Ltd.	17.82	8.32	
Ayurvedagram Heritage Wellness Centre Pvt Ltd	8.38	-	
<b>Income received by Related Party</b>			
Ayurvedic Academy Inc., USA	47.71	-	
<b>Expenses Paid on behalf of Related Party</b>			
Ayurvedagram Heritage Wellness Centre Pvt Ltd	46.01	44.61	
Suvedha INC	128.63	327.97	
Ayurvedic Academy Inc., USA	41.16	162.52	
KAL Ayurveda Research Foundation	0.78	0.33	
Katra Phytochem India Pvt. Ltd.	0.20	0.18	
<b>Expenses of company was paid by Related Party</b>			
Ayurvedagram Heritage Wellness Centre Pvt Ltd	19.78	3.32	
Ayurvedic Academy Inc., USA	0.34	-	
<b>Remuneration to Key Managerial Personnel</b>			
Dr K Anil Kumar, Whole time Director	30.60	28.67	
Mr Murali Krishna, CFO	-	24.83	
Mr George KT, CFO	12.90	-	
Ms Ashitha BR, Company Secretary	2.12	4.09	
Ms Jyothi Gulecha, Company Secretary	0.44	-	
<b>Closing Balance DR/ (CR)</b>			
<b>Lending to Foreign Subsidiaries</b>			
Ayurvedic Academy Inc., USA	585.36	253.93	
CMS Katra Holdings LLC, USA	723.80	676.45	
Nutraveda Pte Ltd	0.38	0.36	
Suvedha INC	1,029.15	961.83	
<b>Other Balances</b>			
Ayurvedagram Heritage Wellness Centre Pvt Ltd	(355.90)	(179.15)	
Suvedha INC	157.41	83.37	
Ayurvedic Academy Inc., USA	83.54	26.85	
All Seasons Herbs Pvt. Ltd.	(5.80)	(3.80)	
KAL Ayurveda Research Foundation	1.67	0.59	
Katra Holding Pvt. Ltd.	(2,826.70)	(2,483.71)	
Katra Phytochem India Pvt. Ltd.	(1,191.36)	13.28	
<b>34 TGBL Advance</b>			
TGBL dues aggregating to Rs 225 Lakhs as on 31st March 2022 have been fully repaid in the current financial year, consequently the charge created in MCA portal has been satisfied. Company has intimated BSE and NCLT about the same.			
<b>35 Prior Period Income</b>			
One of the wholly owned overseas subsidiary had returned part of working capital loan provided by the parent company in FY 2021-22, due to oversight the forex gain on squaring of loan was not recognised in FY 2021-22, this forex gain of Rs. 283.48 Lakhs was recognised in the current FY 2022-23, but as the income pertains to PY, it has been recognised as a Prior Period income and disclosed as Extra Ordinary gains in the current year.			
<b>36 Deferred tax assets/ (liabilities)</b>			
	As at		As at
Particulars	31st March, 2023	Movement	31st March, 2022
Book/Tax depreciation difference	(39.62)	7.37	(47.00)
Provision for Gratuity	129.59	59.17	70.44
Unabsorbed Depreciation Carried forward	73.54	(20.95)	94.49
Deferred Product Development Expenses	(74.54)	6.19	(80.73)
Total deferred tax Asset	88.97	51.78	37.20

37	Earnings Per Share :		
	Particulars	31st March, 2023	31st March, 2022
	Net Profit / (Loss ) after Tax	325.73	123.42
	Weighted Average Number of Shares outstanding during the year	105.56	105.56
	In Lakhs		
38	Earnings Per Share (Rs.)	3.09	1.17
	Nominal Value of Shares (Rs.)	10.00	10.00
39	The Company has not received any confirmations from any supplier registered under "the Micro, Small and Medium Enterprise Development Act, 2006. Accordingly no disclosure has been made under the said act.		
40	Segment results: The company is primarily engaged in Ayurvedic services and products. Accordingly there is no separate reportable segment in accordance with AS 17-Segment reporting prescribed under the Companies (Accounting Standards) Rules 2006.		
41	Previous year figures have been re-grouped / re-classified wherever necessary to correspond with the current year classification/Disclosure.		
In terms of our report attached. For Maharaj Rajan & Mathew Chartered Accountants. FRN:0019325		For and on behalf of the Board of Directors KERALA AYURVEDA LIMITED,	
Sd/- Mathew Joseph , B Com, FCA Proprietor MEM NO 022658		Sd/- Ramesh Vangal Chairman	
Place : Ernakulam Date : 30-05-2023		Sd/- Jyothi Gulecha Company Secretary	Sd/- George KT CFO



## Analytical Ratios

### Current Ratio

SL. NO	PARTICULARS	NUMERATOR	DENOMINATOR	RATIO, 31.03.23	RATIO, 31.03.22	VARIANCE	REASON
A	<b>Current Ratio (times)</b>						
	Current Assets/Current Liabilities	2,479.47	2,808.93	0.88	1.09	-19.26%	Due to increase in Current Liabilities
B	<b>Debt-Equity Ratio (times)</b>						
	Total Debt/Shareholder's Equity	6,245.08	1,453.26	4.30	5.44	-21.07%	Due to increase in Total Debt
C	<b>Debt Service Coverage Ratio (times)</b>						
	(EBIDA/Debt Service (Int+Principal)	797.10	550.22	1.45	0.72	102.01%	
D	<b>Net Profit Ratio (%)</b>						
	Net Profit/Sales	289.07	6,329.87	4.57	1.59	186.46%	
E	<b>Return on Equity Ratio (%)</b>						
	Net Profit after tax/Average Shareholder's Equity	289.07	1,290.39	22.40	8.35	168.41%	
F	<b>Return on Capital employed (%)</b>						
	Earnings before interest and tax/Capital Employed	681.43	7,698.34	8.85	9.85	-10.16%	Due to decrease in EBIT
G	<b>Return on Investment (%)</b>						
	Profit for the year/Cost of Investment	289.07	1,290.39	22.40	8.35	168.41%	Due to increase in net profit after tax
H	<b>Trade Receivables turnover ratio (times)</b>						
	Net Credit Sales/Average trade receivables	4,824.60	1,121.76	4.30	4.29	0.23%	
I	<b>Inventory turnover ratio (times)</b>						
	COGS/Average Inventory	2,538.94	629.62	4.03	3.72	8.50%	
J	<b>Trade payables turnover ratio (times)</b>						
	Net Credit Purchases /Average Trade Payables	1,947.81	567.83	3.43	3.07	11.63%	
K	<b>Net capital turnover ratio (times)</b>						
	Net Sales/ Working Capital(CA-CL)	6,329.87	(1,312.62)	(4.82)	27.98	-117.24%	Due to decrease in Working Capital

### Intangible Assets - Ageing Schedule

As on March 31, 2023

Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Project In Progress					-
(ii) Other Capex	6.86	1,130.14	8.34	5.71	1,151.05
(iii) Projects Temporarily Suspended					-
Total	6.86	1,130.14	8.34	5.71	1,151.05

As on March 31, 2022

Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Project In Progress					
(ii) Other Capex	1,131.05	10.97	9.67	1.34	1,153.04
(iii) Projects Temporarily Suspended					
Total	1,131.05	10.97	9.67	1.34	1,153.04

### Trade Receivables Ageing Schedule

As on March 31, 2023

Particulars	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)Undisputed Trade Receivables - Considered Good		842.69	214.17	22.17	10.93	117.39	1,207.35
(ii)Undisputed Trade Receivables - which have significant increase in credit risk							
(iii)Undisputed Trade Receivables - credit impaired							
(iv)Disputed Trade Receivables - Considered Good							
(v)Disputed Trade Receivables - which have significant increase in credit risk							
(vi)Disputed Trade Receivables - credit impaired							
<b>Total</b>		<b>842.69</b>	<b>214.17</b>	<b>22.17</b>	<b>10.93</b>	<b>117.39</b>	<b>1,207.35</b>

As on March 31, 2022

As on March 31, 2022							
Particulars	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)Undisputed Trade Receivables - Considered Good		941.08	(20.66)	26.85	33.27	55.62	1,036.16
(ii)Undisputed Trade Receivables - which have significant increase in credit risk							
(iii)Undisputed Trade Receivables - credit impaired							
(iv)Disputed Trade Receivables - Considered Good							
(v)Disputed Trade Receivables - which have significant increase in credit risk							
(vi)Disputed Trade Receivables - credit impaired							
<b>Total</b>		<b>941.08</b>	<b>(20.66)</b>	<b>26.85</b>	<b>33.27</b>	<b>55.62</b>	<b>1,036.16</b>

### Trade Payables Ageing Schedule

As on March 31, 2023

Particulars	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)MSME		14.32	-	-	0.02	14.34
(ii)Others		564.59	10.35	1.96	6.94	583.84
(iii)Disputed dues - MSME						
(iv)Disputed dues - Others						
<b>Total</b>		<b>578.91</b>	<b>10.35</b>	<b>1.96</b>	<b>6.97</b>	<b>598.18</b>

As on March 31, 2022

Particulars	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)MSME		45.20	(0.00)	0.00	-	45.20
(ii)Others		441.87	4.65	8.53	37.22	492.27
(iii)Disputed dues - MSME						
(iv)Disputed dues - Others						
Total		487.07	4.65	8.53	37.22	537.47

## Capital Work in Progress - Ageing Schedule As on March 31, 2023

Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Project In Progress	-	-	-	-	-
(ii) Other Capex					-
(iii) Projects Temporarily Suspended					-
<b>Total</b>	-	-	-	-	-

As on March 31, 2022

Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Project In Progress		8.45	29.54	196.40	234.39
(ii) Other Capex					-
(iii) Projects Temporarily Suspended					-
<b>Total</b>	<b>-</b>	<b>8.45</b>	<b>29.54</b>	<b>196.40</b>	<b>234.39</b>



The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of amendments dated March 24, 2021 in Schedule III to the Companies Act 2013 with effect from 1st day of April, 2021:-

- (a) During the year The Company has no transaction with Companies struck off under section 248 of Companies Act 2013 or sec 560 of Companies Act, 1956.
- (b) The title in respect of self-constructed buildings and title deeds of all other immovable properties are held in the name of the company
- (c) (b)The Company has not revalued its property, Plant and Equipment during the year.

- (d) There is no proceeding initiated or pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

- (e) The Company is not declared wilful defaulter by any bank or financial institution or any other lenders.

- (f) There is no transaction that has not been recorded in the books of accounts and surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- (g) There is no scheme of arrangements has been approved during the year by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.

The Company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are not in agreement with the books of accounts.

particulars	As per the statement submitted to bank ( In Lakhs )	As per books (In Lakhs )	
Stock	613.88	644.33	(30.45)
S.Crs	590.95	598.18	(7.23)
S.Drs	1,220.76	1207.35	13.41

- (h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities with the understanding (whether recorded in writing or otherwise) that the Intermediary shall : (Intermediaries)

- (i) 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)
- (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

- (k) The Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall :

- (i) 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
- (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

- (l) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

INDEPENDENT AUDITOR'S REPORT

To the Members of Kerala Ayurveda Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Kerala Ayurveda Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March, 2023, and its consolidated Loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Existence and impairment of Trade Receivables</b></p> <p>Refer to note 10 Trade Receivables to the Consolidated financial statements. The total Trade Receivables as of March 31, 2023 amounted to RS 1296.12 lakhs representing 11.18 % of the total assets (2022: RS 1333.88 Lakhs, 12.09% of the total assets)</p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not be reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgment, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p>	<p><b>Principal Audit Procedures</b></p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable. We also reviewed the system of obtaining periodical confirmation from the customers. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the separate financial statements..</p>



**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Report on Corporate Governance and the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

6. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated Loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / Management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group covered under the Act have adequate internal financial controls system 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



11. 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.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

#### Other Matters

14. We did not audit the financial statements of 7 subsidiaries, whose financial statements reflects total assets of Rs. 7,870.02 Lakhs as at 31 March 2023, total revenue of Rs. 3150.64 Lakhs, total net loss after tax of Rs. 243.38 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements and matters identified and disclosed under key audit matters section above, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditors.

15. As required by Section 197(16) of the Act, we report that the Holding Company covered under the Act paid remuneration to their respective Directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that a subsidiary company covered under the Act has not paid or provided for any managerial remuneration during the year.

16. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, 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 of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the Directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of statutory auditors of subsidiary companies, none of the Directors of the Group companies covered under the Act, are disqualified as on 31 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 Holding Company, its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of the subsidiaries:
  - i) the Company does not have any pending litigations which would impact its financial position
  - ii) the Company does not have any long-term contracts requiring a provision for material foreseeable losses.
  - iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.



iv(a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person(s) or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iv(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries 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.

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub clause (i) and (ii) of Rule 11(e) as provided under (iv) (a) and (iv) (b) above, contain any material mis-statement.

(v) The Holding Company have neither declared nor paid dividend during the year.

vi. Since requirement of maintenance of accounting software which has a feature of audit trail under Rule 3 of the Companies (Accounts) Rules, 2014 has been deferred from financial year commencing from 01 April 2022 to financial year commencing from 01 April 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiaries incorporated in India included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/ adverse remarks.

Ernakulam  
30/05/2023

For Maharaj Rajan and Mathew  
Chartered Accountants  
Firm Registration Number 001932S

Mathew Joseph Bcom ,FCA,DISA(ICA)  
(Partner)  
Membership Number 022658  
UDIN: 23022658BGWDNV7215

**Annexure A to the Independent Auditor's Report**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Kerala Ayurveda Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), as of and for the year ended 31 March, 2023, we have audited the Internal Financial Controls over Financial Reporting of the Holding Company and its Subsidiary Company, which are Companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company and its Subsidiary Company, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the Company's business, including adherence to the respective Company's policies, the safeguarding of the Company's 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Internal Financial Controls over Financial Reporting of the Holding Company and its Subsidiary Company which are incorporated in India based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls over Financial Reporting, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 were 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 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 of the Holding Company and its Subsidiary Company which are companies incorporated in India.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's Internal Financial Controls over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Controls 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 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 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 Controls 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 and based on the consideration of the report of the other auditor on Internal Financial Controls over Financial Reporting of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2023, based on 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.

**Other Matter**

We did not audit the Internal Financial Controls over Financial Reporting in so far as it relates to one subsidiary company, which are companies covered under the Act, whose financial statements reflect total assets of Rs.1430.36 lakhs as at 31 March 2023, total revenues of Rs.904.29 Lakhs and net profit after tax Rs. 181.71 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The Internal Financial Controls over Financial Reporting in so far as it relates to such subsidiary company, has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the Internal Financial Controls over Financial Reporting for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

**For Maharaj Rajan and Mathew**  
**Chartered Accountants**  
**Firm Registration Number 001932S**

**Ernakulam**  
**30/05/2023**

**Mathew Joseph Bcom ,FCA,DISA(ICA)**  
**(Partner)**  
**Membership Number 022658**  
**UDIN: 23022658BGWDNV7215**

Kerala Ayurveda Limited			
Consolidated Balance Sheet as at 31st March, 2023			
Particulars	Note No.	As at 31st March 2023 Amount in Lakhs	As at 31st March 2022 Amount in Lakhs
<b>A ASSETS</b>			
<b>Non-Current assets</b>			
Gross Block		4,638.83	4,341.39
Less: Depreciation Reserve		2,239.68	2,180.71
<b>Fixed Assets</b>			
Property, Plant & Equipment	4	2,399.14	2,163.80
Capital Work in Progress		684.38	445.76
Other Intangible Assets		1,217.86	1,213.49
Good will on Consolidation		1,025.77	1,025.77
<b>Financial Assets</b>			
Investments	5	2.91	2.91
Loans	6	1,775.27	1,657.09
Other Financial assets	7	669.37	610.45
Deferred Tax Asset		69.69	19.59
Income Tax Assets(net)	8	220.21	177.80
<b>Total Non current Assets</b>		<b>8,064.60</b>	<b>7,316.66</b>
<b>Current Assets</b>			
Inventories	9	1,249.36	1,197.48
<b>Financial assets</b>			
Trade Receivables	10	1,296.12	1,333.88
Cash and Cash equivalents	11	319.86	287.45
Other current assets	12	542.05	896.10
<b>Total Current Assets</b>		<b>3,407.39</b>	<b>3,714.91</b>
<b>TOTAL ASSETS</b>		<b>11,471.99</b>	<b>11,031.57</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	1,055.57	1,055.57
Other Equity	14	(497.98)	(444.59)
Equity attributable to the owners of the Company		557.59	610.98
Non Controlling Interest		230.43	183.19
<b>Total Equity</b>		<b>788.02</b>	<b>794.17</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	15	5,041.60	3,720.68
Provisions	16	456.53	456.75
Other non current Liabilities	17	34.50	23.50
Deferred Tax Liability (Net)		-	-
<b>Total Non Current Liabilities</b>		<b>5,532.63</b>	<b>4,200.93</b>
<b>Current liabilities</b>			
Borrowings	18	2,202.65	3,272.92
Trade payables	19	750.49	789.90
Other current liabilities	20	2,055.54	1,909.81
Provisions	21	142.66	63.84
<b>Total Current Liabilities</b>		<b>5,151.34</b>	<b>6,036.47</b>
<b>TOTAL LIABILITIES</b>		<b>10,683.97</b>	<b>10,237.40</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>11,471.99</b>	<b>11,031.57</b>
The accompanying notes form an integral part of these financial instruments in terms of our report attached.			
In terms of our report attached			
For Maharaj Rajan & Mathew Chartered Accountants FRN: 0019325		For and on behalf of the Board of Directors KERALA AYURVEDA LIMITED,	
Sd/-		Sd/-	
Mathew Joseph FCA Partner MEM NO 22658		Ramesh Vangal Chairman DIN: 00064018	
Place : Ernakulam Date : 30-05-2023		Sd/- Jyothi Gulecha Company Secretary	
		Sd/- George KT CFO	



Kerala Ayurveda Limited Consolidated Profit and Loss for the year ended 31st March 2023				
	Particulars	Note No.	For the Year ended 31st March 2023	For the Year ended 31st March 2022
			Amount in Lakhs	Amount in Lakhs
1	<b>Income</b>			
	Revenue from operations	22	9,341.33	8,035.37
	Other income	23	28.66	34.59
	<b>Total revenue</b>		<b>9,369.99</b>	<b>8,069.96</b>
2	<b>Expenses</b>			
	Cost of Materials consumed	24	1,668.63	1,615.05
	Purchases of Medicines (Stock In Trade)	25	328.31	131.81
	Changes in Inventories of FG, WIP & Stock In Trade	26	8.08	(30.00)
	Employee benefits expense	27	2,811.60	2,230.60
	Finance costs	28	482.20	651.98
	Depreciation & Amortisation	29	110.75	120.19
	Other expenses	30	3,950.37	2,995.83
	Gain or loss on conversion to INR		349.43	153.76
	<b>Total Expenses</b>		<b>9,709.37</b>	<b>7,869.22</b>
3	Profit Before Extraordinary items and Tax		(339.38)	200.74
	Add: Exceptional Items		-	79.68
	Profit / (Loss) Before Extraordinary items and Tax		(339.38)	280.42
	Add: Prior Period Items		283.48	-
4	<b>Profit Before Tax</b>		<b>(55.90)</b>	<b>280.42</b>
	Tax expense:			
	Current tax		76.52	6.55
	Deferred tax		(50.10)	41.12
	MAT Credit		(39.52)	(6.55)
5	<b>Total Tax</b>		<b>(13.10)</b>	<b>41.12</b>
6	<b>Profit for the period</b>		<b>(42.80)</b>	<b>239.30</b>
	Less Minority Interest		47.25	3.18
7	<b>Profit for the year after minority Interest</b>		<b>(90.05)</b>	<b>236.12</b>
	Other comprehensive income			
	Items that will not be reclassified to Profit or Loss		36.66	34.46
8	<b>Total Income for the year, net of Taxes</b>		<b>(53.39)</b>	<b>270.58</b>
	Earnings Per Equity Share			
	Basic & diluted [Nominal value of shares Rs. 10/- each]	37	(0.51)	2.56
	Significant Accounting Policies	1-3		

In terms of our report attached.

For Maharaj Rajan & Mathew

Chartered Accountants

FRN: 0019325

Sd/-

Mathew Joseph FCA

Partner

MEM NO 22658

Place : Ernakulam

Date : 30-05-2023

For and on behalf of the Board of Directors

KERALA AYURVEDA LIMITED,

Sd/-

Ramesh Vangal

Chairman

DIN: 00064018

Sd/-

Jyothi Gulecha

Company Secretary

Sd/-

George KT

CFO

Kerala Ayurveda Limited		
Cash Flow Statement for the period ended 31st March, 2023		
Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
	Amount in Lakhs	Amount in Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax and Interest	426.29	932.45
<b>Adjustment to reconcile Profit Before Tax to Net Cash Flows</b>		
Interest Received	(7.68)	(25.53)
Finance Cost( Fair value change in Financial Instruments)	(125.99)	(117.75)
Finance Income ( Fair value change in Financial Instruments)	162.65	152.21
Depreciation and Amortisation	110.75	120.19
Profit on sale of Fixed Assets	(4.54)	(0.10)
<b>Operating profit before working capital changes</b>	<b>561.48</b>	<b>1,061.47</b>
<b>Adjustments for:</b>		
Trade receivables	37.76	(300.97)
Inventories	(51.88)	(97.13)
Other Current Assets	354.05	(520.08)
Other Financial Assets	(58.91)	(164.04)
Income tax Assets	(42.40)	(14.03)
Trade Payables	(12.65)	176.99
Current Financial liabilities- Provisions	78.82	(12.93)
Other Current Liabilities	145.74	226.22
Non- Current Financial liabilities- Provisions	(0.22)	29.72
Other non current liabilities	11.00	(435.39)
Cash generated from operations	461.31	(1,111.64)
Net income tax (paid) / refunds	(37.00)	
<b>Net cash from operating activities A</b>	<b>985.79</b>	<b>(50.17)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets(Including Capital Work in progress)	(618.25)	(284.92)
Disposal of Fixed Assets	6.94	-
Loans to Subsidiaries	(118.18)	68.48
Interest Received	7.68	25.53
<b>Net cash used in Investing activities B</b>	<b>(721.81)</b>	<b>(190.91)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of long term loan	1,320.93	(2,129.63)
Net Increase/(Decrease) in Working Capital Borrowings	(1,070.27)	1,454.17
Finance Cost	(482.20)	(651.98)
<b>Net cash from financing activities C</b>	<b>(231.54)</b>	<b>(1,327.44)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>32.44</b>	<b>(1,568.52)</b>
Cash & Cash Equivalents at Beginning of year	287.43	1,855.95
Cash & Cash Equivalents at End of year	319.87	287.43
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>32.44</b>	<b>(1,568.52)</b>

The accompanying notes form an integral part of these financial instruments.

In terms of our report attached.

For Maharaj Rajan & Mathew

Chartered Accountants

FIRM REGN NO 0079205

Sd/-

Mathew Joseph FCA

Partner

MEM NO 22658

Place : Ernakulam

Date : 30-05-2023

For and on behalf of the Board of Directors

KERALA AYURVEDA LIMITED

Sd/-

Ramesh Vangal

Chairman

DIN: 00064018

Sd/-

Jyothi Gulecha

Company Secretary

Sd/-

George KT

CFO



Kerala Ayurveda Limited						
Statement of Changes in Equity						
A	Equity Share Capital					
	Particulars		Note	Amount in Rs.		
	Balance as at 31st March 2022		13	1,055.57		
	Changes in Equity share capital during the year, 2022-23			-		
	Balance as at 31st March 2023			1,055.57		
B	Other equity	Note 14				
	Particulars	Reserves and Surplus				
		Capital reserve	Share premium	General reserve	Retained Earnings	Total
	Balances as at 1st April 2021	45.42	1,145.15	17.98	(1,923.77)	(715.22)
	Profit for the period				236.17	236.17
	Other comprehensive income				34.46	34.46
	Balance as at 31st March, 2022	45.42	1,145.15	17.98	(1,653.14)	(444.59)
	Balances as at 1st April 2022	45.42	1,145.15	17.98	(1,653.14)	(444.04)
	Profit for the period				(90.05)	(90.60)
	Other comprehensive income				36.66	36.66
	Balance as at 31st March, 2023	45.42	1,145.15	17.98	(1,706.53)	(497.98)
The accompanying notes form an integral part of these financial instruments						
In terms of our report attached.						
For Maharaj Rajan & Mathew			For and on behalf of the Board of Directors			
Chartered Accountants			KERALA AYURVEDA LIMITED			
FIRM REGN NO 007920S						
Sd/-			Sd/-			
Mathew Joseph FCA			Ramesh Vangal			
Partner			Chairman			
MEM NO 22658			DIN: 00064018			
Sd/-			Sd/-			
Place : Ernakulam			Jyothi Gulecha		George KT	
Date : 30-05-2023			Company Secretary		CFO	

**Notes to financial statements**

**1. General Information / Corporate Information**

Kerala Ayurveda Limited (the 'Company') is a Public Limited Company incorporated in India and having its registered office at VII/415, Nedumbassery, Athani P.O, Kerala-683585. The company is primarily focused in the area of manufacture of Ayurveda products, Ayurveda Research, Academies, Clinics, Hospitals, Resorts and Services, cultivation of Ayurveda herbs and maintaining herbarium of medicinal plants.

**2. Significant Accounting Policies:**

**a. Basis of preparation and presentation of financial statements**

**i. Accounting Convention**

The Consolidated Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provision of the Act.

**ii. Historical cost convention**

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

**iii. Use of Estimates**

The preparation of the consolidated financial statements in conformity with Ind AS requires the use of accounting estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from estimates.

**iv. Fair Valuation**

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**b. Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period; or



- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- The Company classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

#### c. Property, plant& Equipment

##### i. Property, plant and equipment

All the items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure incurred on start-up and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged off in the relevant reporting period in which they are incurred.

Cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

##### ii. Intangible assets

Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.

- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the



same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- o Intangible assets that are acquired (including implementation of software system) are measured initially at cost.
- o After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

### **iii. Biological Assets**

Biological assets are classified as bearer biological assets and consumable biological assets.

Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear produce capable of being used in manufacture are classified as bearer plants.

The Company recognises plants, bushes which are grown and ultimately consumed in the production process as consumable biological assets.

Considering the type of industry and the unpredictability of future economic benefit, expenditure incurred on bearer biological assets is not capitalised.

### **iv. Depreciation and amortization methods estimated useful lives and residual value.**

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs.

Software is amortised over a period of five years being their useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation and amortization on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

### **v. Derecognition**

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

### **d. Impairment of non-financial assets**

The Company's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. Impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **e. Financial instrument**

Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of investments in subsidiaries and joint ventures, loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings, trade payables and financial guarantee contracts.

#### **i. Financial assets**

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition. After initial recognition all financial assets (other than



investments in subsidiaries and joint ventures, other equity investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method. The Company has not designated any financial asset as Fair Value through Profit or Loss (FVTPL). A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets, (i.e. the shortfall between all contractual cash flows that are due and all the cash flows (discounted) that the entity expects to receive).

**Investments in subsidiaries and joint ventures:**

The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27.

**ii. Financial liabilities**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities on initial recognition. After initial recognition, all financial liabilities are subsequently measured at amortized cost using the effective interest method. The Company has not designated any financial liability as FVTPL.

**f. Inventories**

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value. Stores and Spares are valued at Cost. The methods of determining cost of various categories of inventories are as follows:

Raw Materials	Cost
Stores and Spares	
Work in Progress	
Finished goods (Manufactured)	
Finished goods (Traded)	
Nursing Inventory	

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition inclusive of excise duty wherever applicable. Excise duty liability is included in the valuation of closing inventory of finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

**g. Trade Receivables**

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period from the date of balance sheet. Management believes that the amounts that are past the credit period are still collectible in full based on historical payment behaviour and analysis of customer credit risk.

**h. Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The amount recognized as a provision is the best estimate of the



consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

**i. Cash and cash equivalents**

Cash and cash equivalent comprise cash at banks and on hand (including imprest) and short-term deposits with maturity of three months or less, which are subject to an insignificant risk of changes in value. Balances held as margin money which are under lien against bank guarantee are classified as bank balances other than cash and cash equivalents.

**j. Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in profit or loss except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**i. Current Income Tax**

Current Income tax is measured based on the estimated taxable profit for the year and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted.

**ii. Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available in future to allow the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted.

**iii. Minimum Alternate Tax**

In accordance with the prevalent tax laws, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in any year is eligible for carry forward and set-off against normal income tax liability.

**k. Revenue recognition**

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product.

Revenue from service is recognised over a period of time as and when the services are rendered in accordance with the specific terms of contract with the customer.

**Other Operating Revenue**

Other Operating Revenue comprise of Income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Revenue includes sale of cultivated plants. The entity has biological assets and agricultural produce is harvested from biological asset which are bearer biological assets and consumable biological assets.

**l. Rent Deposit**

As rent deposits do not meet the criteria of amortized cost, are measured at Fair value and classified as fair value through other comprehensive income.

**m. Properties taken on lease**

Properties taken on lease by the Company are in the nature of operating leases as the lease terms do not transfer substantially all risks and rewards incidental to ownership of such



properties to the Company. Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Interest free lease deposits are remeasured at amortised cost by the effective interest rate method. The difference between the transaction value of the deposit and amortised cost is regarded as prepaid rent and recognised as expense uniformly over the lease period.

**n. Capital Work in Progress**

Project expenditure incurred as part of Development is capitalised under Capital Work in Progress as the costs can be reliably measured, future economic benefits are probable, the product is technically feasible and the Company has the intent and the resources to complete the project. Development assets are amortised based on the estimated useful life, as appropriate.

**o. Other income**

Other income consists of interest income on funds invested. Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest rate method on time proportion basis.

**p. Employee benefits**

**i. Short-term benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short-term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**ii. Other Long-Term benefits:**

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

**Gratuity**

The Company has an obligation towards gratuity as per actuarial valuation.

**Provident fund**

Payments to defined contribution plans are recognised as expense when employees have rendered service entitling them to the contributions.

The basis for determination of liability is as under:

Particulars	Gratuity (In Lakhs)	
	Current year	Previous year
<b>Change in present value of obligation</b>		
1. Present value of the obligation at the beginning of the year	533.30	523.83
2. Current service cost	36.85	35.83
3. Interest on defined benefit obligation	34.40	32.57
4. Actuarial (gain)/loss	-52.93	-3.76
5. Benefits paid	-22.09	-12.24
6. Present value of obligation at the end of the year	529.53	576.23
<b>Liability recognized in the financial statements</b>		
Long term	456.53	456.75
Short term	73.00	63.84
<b>Costs for the year</b>		
<b>Change in the present value of obligation</b>		
1. Current service cost	36.86	35.83
2. Interest Cost	34.41	32.57
3. Actuarial (gain)/loss	-	-
4. Total Expenses	71.27	68.40

Main Actuarial Assumptions		
Discount rate (p.a)	7.45%	6.95%
Salary escalation rate (p.a)	8.00%	8.00%
Method	Projected Unit Credit Method	Projected Unit Credit Method

**q. Finance Costs**

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are charged to revenue.

**r. Foreign Currency transactions**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date and recognised in profit or loss in the period in which they arise.

**s. Critical accounting judgments and key sources of estimation uncertainty**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity.

**3. Fair value measurement**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:



### 3. Financial instruments - Fair values and risk management

**A. Accounting classification and fair values**

					Rs. in Lakhs		
2023	Carrying Amt				Fair Value		
Particulars	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non-current financial Assets							
Investments							
Non-trade (Unquoted)	2.63	-	-	2.63	-	2.63	-
Non trade (Quoted)	.28	-	-	.28	-	.28	-
Loans	-	-	1772.81	1772.81	-	1772.81	-
Other Financial assets	669.37	-	-	669.37	669.37	-	-
Current Financial asset							
Trade receivable	1296.12	-	-	1296.12	1296.12	-	-
Cash and cash equivalent	319.86	-	-	319.86	319.86	-	-
	2288.26	-	1772.81	4061.07	2285.35	1775.72	-
Non-Current Financial Liabilities							
Borrowings	2214.9	-	2826.7	5041.6	2214.9	2826.7	-
Current Financial							
Borrowings	2202.65	-	-	2202.65	2202.65	-	-
Trade Payables	750.49	-	-	750.49	750.49	-	-
	5168.04	-	2826.7	7994.74	5168.04	2826.7	-

Rs in Lakhs							
2022	Carrying Amt				Fair Value		
Particulars	Amortised cost	FVT PL	FVTOCI	Total	Level 1	Level 2	Level 3
Non-current financial Assets							
Investments							
Non-trade (Unquoted)	2.63			2.63		2.63	
Non trade (Quoted)	0.28			0.28		0.28	
Loans	1657.09			1657.09		1657.09	
Other Financial assets	610.45			610.45	610.45		
Current Financial asset				0			
Trade receivable	1333.88			1333.88	1333.88		
Cash and cash equivalent	280.25			280.25	280.25		

	3884.58			3884.58	2224.58	1659.99	
<b>Non-Current Financial Liabilities</b>							
Borrowings	1236.97		2483.71	3720.68	1236.97	2483.71	
<b>Current Financial</b>							
Borrowings	3265.74			3265.74	3265.74		
Trade Payables	789.90			789.90	789.90		
	5292.61		2483.71	7776.32	5292.61	2483.71	

Discounting value is based on risk free return applicable in India with new adjustments towards the investments made by the company in its subsidiaries.

#### **B. Measurement of fair values**

The fair value of liquid mutual funds and long-term equity investment is based on quoted price. Fair values of certain non-current investment are valued based on discounted cash flow / book value / EBITDA multiple approach.

#### **C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk.
- Liquidity risk; and
- Market risk

##### **i. Risk management framework**

The Risk Management Committee of the Board is entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive risk management policy relating to the risks that the Company faces under various categories like strategic, operational, reputational and other risks and these have been identified and suitable mitigation measures have also been formulated. The Risk Management Committee reviews the key risks and the mitigation measures periodically. The Audit Committee has additional oversight in the area of financial risks and control.

##### **ii. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and financing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the company is certain about the non-recovery.

##### **iii. Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position based on expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short-term fund-based lines, which provides healthy liquidity and these carry highest credit quality rating from reputed credit rating agency.



Kerala Ayurveda Limited  
Note 4: Property, Plant and Equipment

Particulars												Amount in Lakhs							
	Land	Building	Building Temporary	Plant & Machinery	Electrical Fittings	Furniture & Fixtures	Office Equipment	Computer & Accessories	Vehicles	Misc fixed assets	Total	Web & Software Development Exp	Project Patent Expenditure	Product Development Deferred Expense	Preoperative Expenses	Buildout	Content Dev Exp	Total	Capital WIP
At Cost																			
Balance as at 1 April 2022	1,222.76	1,269.30	298.83	525.55	71.39	455.54	231.05	160.53	81.48	24.94	4,341.37	1,210.88	-	31.95	5.89	11.05	58.22	1,317.99	445.76
Other acquisition	-	269.27	-	26.75	1.95	17.23	8.45	8.57	14.14	-	346.36	0.19	6.67	-	-	-	14.73	21.59	473.01
Disposal	-	1.08	-	-	7.06	33.60	1.15	0.09	13.22	-	56.20	-	-	-	-	-	-	-	234.39
Effect of foreign currency exchange differences	-	-	-	-	-	3.60	2.41	1.28	-	-	7.29	-	-	3.15	0.03	1.09	5.74	10.01	-
Gross Block as at 31st March 2023	1,222.76	1,537.49	298.83	552.30	66.28	442.77	240.76	170.29	82.40	24.94	4,638.82	1,211.07	6.67	35.10	5.92	12.14	78.69	1,349.59	684.38
Depreciation & Impairment											-								
Balance as at 1 April 2022	-	690.27	283.89	377.38	53.98	388.45	201.31	130.68	53.32	1.44	2,180.72	57.85	-	6.39	-	1.82	43.36	109.42	-
Depreciation charge for the year	-	32.75	-	20.04	2.80	15.82	5.27	8.94	7.90	-	93.52	8.85	-	7.65	-	0.72	-	17.22	-
Disposal	-	0.67	-	-	3.63	21.10	0.69	0.06	12.56	-	38.71	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	2.00	0.96	1.19	-	-	4.15	-	-	0.63	-	0.18	4.28	5.09	-
Balance as at 31st March 2023	-	722.35	283.89	397.42	53.15	385.17	206.85	140.75	48.66	1.44	2,239.68	66.70	-	14.67	-	2.72	47.64	131.73	-
Carrying Value											-								
As at 31st March 2022	1,222.76	579.03	14.94	148.17	17.41	68.70	31.19	29.94	28.16	23.50	2,163.80	1,153.04	-	28.08	5.91	10.14	16.32	1,213.49	445.76
As at 31st March 2023	1,222.76	815.14	14.94	154.88	13.13	57.60	33.91	29.54	33.74	23.50	2,399.14	1,144.37	6.67	20.43	5.92	9.42	31.05	1,217.86	684.38

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31st March, 2023			
Note No	Particulars	As at 31st March, 2023	As at 31st March, 2022
		Amount in Lakhs.	Amount in Lakhs.
5	<b>Non Current Investments</b>		
	Non Trade (Quoted, At cost)		
	500 equity shares of Rs 10 each fully paid up in Canara Bank Ltd(Quoted) Market Value Rs 228.75 last Year Rs 152 per share	0.28	0.28
	Non Trade (Unquoted, At cost)		
	14 Equity Shares of Rs.10000/- each in Confederation for Ayurvedic Renaissance Keralam Pvt Ltd	2.63	2.63
	<b>Total</b>	<b>2.91</b>	<b>2.91</b>
	Market Value of Quoted Investments	1.14	1.14
	Aggregate amount of Unquoted Investments	2.63	2.63
6	<b>Financial assets-Loans</b>		
	<b>Loans to Subsidiaries</b>		
	Loans to Katra Finance Ltd, Mauritius	1,772.81	1,626.79
	Others	2.46	30.30
	<b>Total</b>	<b>1,775.27</b>	<b>1,657.09</b>
7	<b>Financial assets-Other financial assets</b>		
	Deposits with Govt. Authorities	13.06	11.74
	Deposits with others	352.37	179.24
	Bank Deposits with Original maturity more than 12 Months	17.23	117.68
	Deferred Product Development Expenditure	286.71	301.79
	<b>Total</b>	<b>669.37</b>	<b>610.45</b>
8	<b>Income Tax assets(net)</b>		
	Income Tax advance	45.55	42.67
	MAT Credit Entitlement	174.66	135.13
	<b>Total</b>	<b>220.21</b>	<b>177.80</b>
9	<b>Inventories</b>		
	Finished Goods	513.56	543.71
	Goods in transit	12.66	1.99
	Furnace Oil	4.74	1.77
	Packing Material	119.11	89.60
	Raw Material	70.16	60.41
	Stores & Spares	2.38	3.62
	Work in Progress	203.53	173.16
	WIP Nurse Training Deferred	323.22	323.22
	<b>Total</b>	<b>1,249.36</b>	<b>1,197.48</b>
10	<b>Financial assets- Trade receivables</b>		
	Unsecured, considered good	1,081.65	994.86
	Katra Finance Limited Mauritius	205.02	188.14
	Katra Holdings Private Limited	9.45	150.88
	<b>Total</b>	<b>1,296.12</b>	<b>1,333.88</b>
11	<b>Cash and cash equivalents</b>		
	Cash on hand	8.15	6.50
	Cheques, drafts on hand	-	2.09
	Balances with banks		
	In Current accounts	290.87	253.58
	Credit card Collection Due	20.84	25.28
	<b>Total</b>	<b>319.86</b>	<b>287.45</b>
12	<b>Other Current Assets</b>		
	Advance for Purchase	43.04	172.96
	Other Advances	207.33	191.00
	Advance to employees	9.90	10.77
	Prepaid expense	281.78	521.37
	<b>Total</b>	<b>542.05</b>	<b>896.10</b>



Kerala Ayurveda Limited					
Notes forming part of the financial statements for the year ended 31st March 2023					
	Particulars	As at 31st March 2023		As at 31st March, 2022	
		Number of shares	In Lakhs	Number of shares	In Lakhs
13	Share capital				
	(a) Authorised Capital				
	Equity shares of Rs 10/- each with voting rights	1,20,00,000	1,200	1,20,00,000	1,200
	(b) Issued Capital				
	Equity shares of Rs 10/- each with voting rights	1,05,55,670	1,056	1,05,55,670	1,056
	(c) Subscribed and fully paid up				
	Equity shares of Rs 10/- each with voting rights	1,05,55,670	1,056	1,05,55,670	1,056
	Total	1,05,55,670	1,056	1,05,55,670	1,056
Notes:					
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting					
	Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
	Equity shares with voting rights				
	Year ended 31st March, 2023				
	- Number of shares	1,05,55,670	-	-	1,05,55,670
	- Amount (In Lakhs.)	1,056	-	-	1,056
	Year ended 31st March, 2022				
	- Number of shares	1,05,55,670	-	-	1,05,55,670
	- Amount (In Lakhs.)	1,056	-	-	1,056
(ii) Rights, Preferences and restrictions attached to Equity Shares:					
The Company has one class of equity shares, having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company in proportion to their share holding.					
(iii) Details of shares held by each shareholder holding more than 5% shares:					
Class of shares / Name of shareholder	As at 31st March 2023		As at 31st March, 2022		
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Equity shares with voting rights Katra Holdings Ltd	64,93,435	61.52%	64,93,435	61.52%	
(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:					
Particulars	Equity shares with voting rights-No of Shares				
	Opening Balance	Fresh issue	Buy back	Closing Balance	
As at 31st March, 2023 M/s Katra Holdings Ltd, the holding company	64,93,435			64,93,435	
As at 31st March, 2022 M/s Katra Holdings Ltd, the holding company	64,93,435			64,93,435	

14	<b>Other Equity</b>		
	Capital Reserve	45.42	45.42
	Share Premium	1,145.15	1,145.15
	General reserve	17.98	17.98
	Surplus / (Deficit) in Statement of Profit and Loss		
	At the commencement of the year	(1,653.14)	(1,923.77)
	Add: Profit for the year	(53.39)	270.63
	Net Surplus / (Deficit) in the Statement of Profit and Loss	(1,706.53)	(1,653.14)
	<b>Total</b>	<b>(497.98)</b>	<b>(444.59)</b>
15	<b>Financial Liabilities- Borrowings (Non Current)</b>		
	<b>Term loans</b>		
	ECL Finance Limited Moratorium Loan	-	316.67
	Samunnati Finance	24.97	75.90
	Katra Holding Pvt Ltd	2,826.70	2,483.71
	Katra Finance Limited	517.85	475.19
	Katra Phytochem India Private Ltd	1,191.36	-
	Unsecured Loan from Financial Institutions	480.72	369.21
	<b>Total</b>	<b>5,041.60</b>	<b>3,720.68</b>
16	<b>Financial Liabilities-Provisions (Non Current)</b>		
	Provision for Gratuity	456.53	456.75
	<b>Total</b>	<b>456.53</b>	<b>456.75</b>
17	<b>Other Long-Term Liabilities</b>		
	Deposits Received from Business associates	34.50	23.50
	<b>Total</b>	<b>34.50</b>	<b>23.50</b>
18	<b>Financial Liabilities -Borrowings(Current)</b>		
	Secured loan repayable on demand		
	Kotak Mahindra Bank-Bangalore (OD)	(117.44)	523.35
	<i>(Credit Facilities from Kotak Mahindra Bank are secured Against exclusive charge on entire current assets of the Company both present and future, Collateral in the form of equitable mortgage of land belonging to the Company in Kalloor Thekkummuri Village, Trichur District and mortgage of land belonging to Chairman situated at Bangalore and personal guarantee of Chairman)</i>		
	SBM Bank (India) Limited	1,336.93	176.27
	<i>(Credit Facilities from SBM India Ltd are secured Against first charge on all current assets, including book debts, both present &amp; future, Collateral in the form of equitable mortgage of 6.37 Acres land belonging to Ayurvedagram Heritage Wellness Pvt Ltd, subsidiary of the company located in (40/1, Hemandanhalli and 114, Naganayakanakote) and mortgage of land belonging to Chairman situated at Bangalore (S. Nos.24 and S. No. 17 at Seegenaykanahalli village, Sarjapura Hobli post, Tal. Anekal, Dist. Bangalore-562114)</i>		
	Current Maturities of long Term Borrowings	983.16	2,573.30
	<i>(Secured by Lien on Fixed Deposit held with Kotak Mahindra Bank and personal guarantee of the Directors)</i>	-	-
	<b>Total</b>	<b>2,202.65</b>	<b>3,272.92</b>
19	<b>Trade Payables</b>		
	Trade payables outstanding dues to MSMEs under MSMED Act, 2006		
	Sundry Creditors- Mfgs.	423.92	385.82
	Sundry Creditors- Others	326.57	404.08
	<b>Total</b>	<b>750.49</b>	<b>789.90</b>
20	<b>Other current liabilities</b>		
	Other payables		
	Tata Global Beverages Limited	-	225.00
	Advances from Customers	1,440.55	1,169.47
	Statutory Liabilities		100.30
	GST Payable	10.62	-
	TDS Payable	114.66	-
	P F ,ESI & other statutory liability	19.81	-
	Accrued Employee Liabilities	94.35	203.60
	Travel Allowance Payable	16.11	-
	Salary Payable	134.55	-
	Rent Payable	15.14	15.80
	Other Current Liabilities	136.75	119.09
	Provision for gratuity	73.00	76.55
	<b>Total</b>	<b>2,055.54</b>	<b>1,909.81</b>
21	<b>Provision (Others)</b>		
	Bonus Payable	53.17	48.68
	Privilege Leave Encashment Payable	10.43	8.61
	Provision for Taxation	79.06	6.55
	<b>Total</b>	<b>142.66</b>	<b>63.84</b>



Kerala Ayurveda Limited			
Notes forming part of the financial statements for the period ended 31st Mar, 2023			
Note No.	Particulars	As at 31st March 2023	As at 31st March, 2022
		Amount in Lakhs	Amount in Lakhs
22	<b>Revenue from Operations</b>		
	Sale of Products	5,703.02	5,307.73
	Sale of Services	3,638.31	2,727.64
	<b>Total</b>	<b>9,341.33</b>	<b>8,035.37</b>
	<b>Sale of products comprises:</b>		
	Sale of Products	5,703.02	5,307.73
	<b>Total</b>	<b>5,703.02</b>	<b>5,307.73</b>
	<b>Sale of services comprises:</b>		
	Treatment Income	2,025.89	1,258.33
	Training Income	1,575.79	1,434.20
	Other Operational Income	36.63	35.11
	<b>Total</b>	<b>3,638.31</b>	<b>2,727.64</b>
23	<b>Other Income</b>		
	Other Income	20.98	9.06
	Interest Received	7.68	25.53
	<b>Total</b>	<b>28.66</b>	<b>34.59</b>
24	<b>Cost of materials consumed</b>		
	<u>Raw Material</u>		
	Opening stock	60.41	117.33
	Add: Purchases	1,336.69	1,238.46
	Less: Closing stock	70.16	60.41
	<b>(A)</b>	<b>1,326.94</b>	<b>1,295.38</b>
	<u>Packing Material</u>		
	Opening Stock	89.60	72.80
	Add: Purchase	371.20	336.47
	Less: Closing Stock	119.11	89.60
	<b>(B)</b>	<b>341.69</b>	<b>319.67</b>
	<b>Cost of material consumed(A+B)</b>	<b>1,668.63</b>	<b>1,615.05</b>
25	<b>Purchase of Stock In Trade</b>		
	Purchase of Medicines	328.31	131.81
	<b>Total</b>	<b>328.31</b>	<b>131.81</b>
26	<b>Changes in inventories of stock of F G, WIP &amp; Stock in trade</b>		
	<b>Inventories at the end of the year</b>		
	Stock of FG,WIP & Stock in Trade	466.16	474.24
	<b>Inventories at the beginning of the year</b>		
	Stock of FG,WIP & Stock in Trade	474.24	444.24
	<b>Net (increase) / decrease</b>	<b>8.08</b>	<b>(30.00)</b>
27	<b>Employee benefits expense</b>		
	Salaries and wages	2,460.14	1,988.75
	Contribution to Provident Fund	99.87	87.99
	Staff welfare expenses	251.59	153.86
	<b>Total</b>	<b>2,811.60</b>	<b>2,230.60</b>
28	<b>Finance costs</b>		
	Interest expenses on Working Capital	449.78	640.84
	Interest expenses on Others	32.42	11.14
	<b>Total</b>	<b>482.20</b>	<b>651.98</b>

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the period ended 31st Mar, 2023			
29	<b>Depreciation expense</b>		
	Depreciation	110.03	117.95
	Amortisation	0.72	2.24
	<b>Total</b>	<b>110.75</b>	<b>120.19</b>
30	<b>Other expenses</b>		
	Rent	393.33	320.99
	Bank Charges	37.16	14.56
	Rates and Taxes	28.82	16.63
	Legal & Professional charges	277.76	248.06
	Directors Sitting Fee	6.55	4.65
	Research and Development Expenses	36.16	11.58
	Travelling -Others	74.55	55.66
	Repairs & Maintenance- Others	53.54	28.50
	Vehicle Maintenance	3.50	1.58
	Insurance	29.54	33.64
	Printing & Stationery	44.48	29.40
	Postage & Telephone	88.56	62.50
	Secretarial Expenses	19.76	15.89
	Repairs & Maintenance Branch assets	7.32	16.80
	Conveyance Expenses	0.33	7.73
	Canteen Expenses	15.21	5.98
	Electricity charges (Branches/Depot)	25.45	20.38
	Other Administrative Expenses	222.54	145.35
	Internal Audit fee	0.50	-
	Audit fee	5.00	3.00
	Travelling-Sales Staff	193.39	114.49
	Advertisements	3.50	1.43
	Commission & Discount	113.36	191.43
	Training Expenses	2.99	1.48
	Freight Outward	131.89	152.51
	Sales promotion exp	434.17	271.68
	Other Selling & Distribution Expenses	302.19	187.21
	Fuel Consumed	149.37	149.85
	Electricity charges	47.98	38.70
	Repairs to Plant & Machinery	21.31	21.30
	Repairs to Building	36.95	9.13
	Job Works	238.22	188.20
	Other Manufacturing Expenses	32.55	36.24
	Cultivation Expenses	3.29	1.63
	Indirect Taxes	417.49	408.09
	Treatment Expenses	451.66	179.58
	<b>Total</b>	<b>3,950.37</b>	<b>2,995.83</b>
	<b>(i) Payments to the auditors comprises (net of service tax input credit, where applicable):</b>		
	As auditors - Statutory audit & Tax Audit	5.00	3.00
	For Certification and other matters	-	0.13
	For management services	-	-
	Reimbursement of expenses	0.83	0.63
	<b>Total</b>	<b>5.83</b>	<b>3.76</b>



Kerala Ayurveda Limited				
Notes forming part of the financial statements for the year ended 31st March, 2023				
Notes	Particulars	31st March, 2023	31st March, 2022	
31	Earnings In Foreign Currency			
	Export of Medicine	89.13	128.07	
	Total	89.13	128.07	
	Expenditure in Foreign Currency :			
	Import of Packing Material	26.4	-	
	Import of Machinery	-	-	
	Total	26.40	-	
32	Managerial Remuneration			
	To the Whole Time Director			
	Salary	15.36	14.63	
	Other Allowances	14.04	14.04	
	Reimbursements			
	Total	29.4	28.67	
33	Related Party Disclosure under Ind Accounting Standard 24:			
	A. Names of related parties and nature of related party relationships			
	Description of relationship	Names of related parties		
	Holding Company	Katra Holdings Ltd, Mauritius		
	Subsidiary Companies	Ayurvedagram Heritage Wellness Centre Pvt Ltd		
		Suveda Inc		
		Ayu Natural Medicine Clinic PS, USA		
		Ayurvedic Academy Inc., USA		
		Nutraveda Pte Ltd		
		CMS Katra Holdings LLC, USA		
		CMS Katra Nursing LLC, USA		
	Companies where Promoter Director is having control/significant influence	All Seasons Herbs Pvt. Ltd.		
		KAL Ayurveda Research Foundation		
		Katra Holding Pvt. Ltd.		
		S R Pharmaceuticals		
		Katra Phytochem India Pvt. Ltd.		
		Confederation for Ayurvedic Renaissance Keralam		
		Mason & Summers Leisure Pvt. Ltd.		
	Director/Key Managerial Person	Dr K Anil Kumar, Whole time Director		
		Mr George KT, CFO		
		Ms Jyothi Gulecha, Company Secretary		
	Note: Related parties have been identified by the Management.			
	B. Transaction with Related Parties			
	Loan Received from Related Party			
		Ayurvedagram Heritage Wellness Centre Pvt Ltd	244.00	378.78
		Katra Holding Pvt. Ltd.	1,017.00	0.99
		Katra Phytochem India Pvt. Ltd.	1,282.69	914.08
	Repayment of Loan to Related Party			
		Ayurvedagram Heritage Wellness Centre Pvt Ltd	22.00	60.79
	Katra Holding Pvt. Ltd.	800.00	1.04	
	Katra Phytochem India Pvt. Ltd.	115.55	933.05	

<b>Interest Expenses on Loan from Related Party</b>		
Katra Phytochem India Pvt. Ltd.	23.74	-
<b>Repayment of Advance by Related Party</b>		
Ayurvedagram Heritage Wellness Centre Pvt Ltd	-	422.96
<b>Interest Income from Loan to Related Party</b>		
Ayurvedagram Heritage Wellness Centre Pvt Ltd	-	25.07
<b>Sales of Goods to Related Party</b>		
Ayurvedagram Heritage Wellness Centre Pvt Ltd	92.67	54.70
Katra Phytochem India Pvt. Ltd.	3.86	2.44
KAL Ayurveda Research Foundation	0.30	-
<b>Purchase Goods or Service from Related Party</b>		
All Seasons Herbs Pvt. Ltd.	13.81	17.30
Katra Phytochem India Pvt. Ltd.	17.82	8.32
Ayurvedagram Heritage Wellness Centre Pvt Ltd	8.38	-
<b>Expenses Paid on behalf of Related Party</b>		
Ayurvedagram Heritage Wellness Centre Pvt Ltd	46.01	44.61
KAL Ayurveda Research Foundation	0.78	0.33
Katra Phytochem India Pvt. Ltd.	0.20	0.18
<b>Expenses of company was paid by Related Party</b>		
Ayurvedagram Heritage Wellness Centre Pvt Ltd	19.78	3.32
<b>Remuneration to Key Managerial Personnel</b>		
Dr K Anil Kumar, Whole time Director	30.60	28.67
Mr Murali Krishna, CFO	-	24.83
Mr George KT, CFO	12.90	-
Ms Ashitha BR, Company Secretary	2.12	4.09
Ms Jyothi Gulecha, Company Secretary	0.44	-
<b>Closing Balance DR/ (CR)</b>		
<b>Lending to Foreign Subsidiaries</b>		
CMS Katra Holdings LLC, USA	723.80	676.45
<b>Other Balances</b>		
Ayurvedagram Heritage Wellness Centre Pvt Ltd	(355.90)	(179.15)
All Seasons Herbs Pvt. Ltd.	(5.80)	(3.80)
KAL Ayurveda Research Foundation	1.67	0.59
Katra Holding Pvt. Ltd.	(2,826.70)	(2,483.71)
S R Pharmaceuticals	-	-
Katra Phytochem India Pvt. Ltd.	(1,191.36)	13.28
Confederation for Ayurvedic Renaissance Keralam Ltd.	-	-
Mason & Summers Leisure Pvt. Ltd.	-	-



34	<b>TGBL Advance</b> TGBL dues aggregating to Rs 225 Lakhs as on 31st March 2022 have been fully repaid in the current financial year, consequently the charge created in MCA portal has been satisfied. Company has intimated BSE and NCLT about the same.			
35	<b>Prior Period Income</b> One of the wholly owned overseas subsidiary had returned part of working capital loan provided by the parent company in FY 2021-22, due to oversight the forex gain on squaring of loan was not recognised in FY 2021-22, this forex gain of Rs. 283.48 Lakhs was recognised in the current FY 2022-23, but as the income pertains to PY, it has been recognised as a Prior Period income and disclosed as Extra Ordinary gains in the current year.			
36	<b>Deferred tax assets/ (liabilities)</b>			
	Particulars	31st March, 2023	Movement	31st March, 2022
	Book/Tax depreciation difference	(90.67)	6.11	(96.78)
	Provision for Gratuity	136.61	58.76	77.85
	Provision for Leave encashment	2.58	-	2.58
	Unabsorbed Business Loss Carried forward	21.19	(14.76)	35.95
	Total deferred tax Asset	69.70	50.11	19.59
37	<b>Earnings Per Share :</b>			
	Particulars	31st March, 2023		31st March, 2022
	Net Profit / (Loss ) after Tax	(53.39)		270.58
	Weighted Average Number of Shares outstanding during the year	105.56		105.56
	Earnings Per Share (Rs.)	(0.51)		2.56
	Nominal Value of Shares (Rs.)	10.00		10.00
38	The Company has not received any confirmations from any supplier registered under "the Micro, Small and Medium Enterprise Development Act, 2006. Accordingly no disclosure has been made under the said act.			
39	Segment results: The company is primarily engaged in Ayurvedic services and products. Accordingly there is no separate reportable segment in accordance with AS 17-Segment reporting prescribed under the Companies (Accounting Standards) Rules 2006.			
40	Previous year figures have been re-grouped / re-classified wherever necessary to correspond with the current year classification/Disclosure.			
In terms of our report attached. <b>For Maharaj Rajan &amp; Mathew</b> Chartered Accountants FRN: 001932S  Sd/- <b>Mathew Joseph , B Com, FCA</b> Proprietor MEM NO 022658  Place : Ernakulam Date : 30-05-2023		For and on behalf of the Board of Directors <b>KERALA AYURVEDA LIMITED,</b>  Sd/- <b>Ramesh Vangal</b> Chairman DIN: 00064018  Sd/- <b>Jyothi Gulecha</b> Company Secretary  Sd/- <b>George KT</b> CFO		

<b>19. Trade Payable</b>						
The trade payables ageing schedule as on March 31, 2023						
Outstanding for following periods from due date of payment						
Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total Trade payables	677.67	62.75	3.10	6.97		750.49
The trade payables ageing schedule as on March 31, 2022						
Outstanding for following periods from due date of payment						
Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total Trade payables	629.40	109.52	9.84	41.14		789.90

<b>10. Trade Receivables</b>						
Trade Receivables Ageing Schedule As on March 31, 2023						
Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)Undisputed Trade Receivables - Considered Good	636.26	289.93	50.92	22.92	296.09	1,296.12
(ii)Undisputed Trade Receivables - which have significant increase in credit risk						
(iii)Undisputed Trade Receivables - credit impaired						
(iv)Disputed Trade Receivables - Considered Good						
(v)Disputed Trade Receivables - which have significant increase in credit risk						
(vi)Disputed Trade Receivables - credit impaired						
Total	636.26	289.93	50.92	22.92	296.09	1,296.12

Trade Receivables Ageing Schedule As on March 31, 2022						
Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)Undisputed Trade Receivables - Considered Good	404.38	(4.00)	69.89	178.47	685.14	1,333.88
(ii)Undisputed Trade Receivables - which have significant increase in credit risk						
(iii)Undisputed Trade Receivables - credit impaired						
(iv)Disputed Trade Receivables - Considered Good						
(v)Disputed Trade Receivables - which have significant increase in credit risk						
(vi)Disputed Trade Receivables - credit impaired						
Total	404.38	(4.00)	69.89	178.47	685.14	1,333.88

<b>Capital work-in-progress (CWIP)</b>						
CWIP Ageing Schedule: As on March 31, 2023						
Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	
(i) Project In Progress	471.01	-	-	-	471.01	
(ii) Other Capex	2.00	-	-	211.37	213.37	
(iii) Projects Temporarily Suspended					-	
Total	473.01	-	-	211.37	684.38	
CWIP Ageing Schedule: As on March 31, 2022						
Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	
(i) Project In Progress		8.45	29.54	196.40	234.39	
(ii) Other Capex		-	211.37	-	211.37	
(iii) Projects Temporarily Suspended					-	
Total	-	8.45	240.91	196.40	445.76	

Intangible Assets Ageing Schedule: As on March 31, 2023						
Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	
(i) Project In Progress						
(ii) Other Capex	6.86	1,196.92	8.37	5.71	1,217.86	
(iii) Projects Temporarily Suspended						
Total	6.86	1,196.92	8.37	5.71	1,217.86	

Intangible Assets Ageing Schedule: As on March 31, 2022						
Particulars	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	
(i) Project In Progress						
(ii) Other Capex	1,147.36	17.40	31.33	17.40	1,213.49	
(iii) Projects Temporarily Suspended						
Total	1,147.36	17.40	31.33	17.40	1,213.49	



Additional Information as required by Paragraph 2 of Part III - General Instruction for Preparation of CFS of Schedule III of the Companies Act, 2013

Name of the entity	Net Assets ie Total assets minus total liabilities		Share in profit Or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	% consolidated	Rs in Lakhs	% consolidated	Rs in Lakhs	% consolidated	Rs in Lakhs	% consolidated	Rs in Lakhs
Parent Company								
Kerala Ayurveda Limited	184.42	1,453.27	-320.97	289.07	100	34.46	-581.92	323.53
Subsidiaries								
<u>Indian</u>								
AyurvedaGram Heritage Wellness Centre Private	97.27	766.52	-201.77	181.71				181.71
<u>Foreign</u>								
Ayurvedic Academy Inc, USA	30.17	237.76	37.45	(33.73)			-12.46	-33.73
Suvda Inc,USA	-157.94	(1,244.59)	221.91	(199.85)			-73.85	-199.85
Ayu Natural Medicine Clinic, USA	-128.61	(1,013.50)	92.69	(83.48)			-30.85	-83.48
CMS Katra Holding LLC,USA	-48.08	(378.91)	34.73	(31.28)			-11.56	-31.28
CMS Katra Nursing, USA	-117.22	(923.71)	85.23	(76.76)			-28.36	-76.76
Nutraveda Pte Ltd, Singapore	0.44	3.43		-				
Adjustments on Consolidation	239.55	1,887.74	150.73	(135.74)			-50.16	-135.74
	100.00	788.02	100.00	-90.06			-20.54	-55.60

# KERALA AYURVEDA LTD.

## ANNUAL REPORT 2022-23

### KERALA AYURVEDA LIMITED LIST OF HOSPITALS, TREATMENT CENTRES, CLINICS, DEPOTS, ACADEMY & HEALTH RESORT

#### HOSPITALS: IN KERALA

KERALA AYURVEDA HOSPITAL  
OPPOSITE AXIS BANK,  
BANK ROAD,  
KASARAGODE-671 121  
PH : 0499-4222519

#### TREATMENT CENTRES-IN KERALA

KERALA AYURVEDA WELLNESS  
CENTER  
OLD WARRIAM ROAD EAST  
A.M.THOMAS ROAD,  
ERNAKULAM-682 016.  
PH: 0484-2375292, 2378198

KERALA AYURVEDA WELLNESS  
CENTER  
XXVII/478, THEJUS,  
OPP NANDILATH G MART, TOLL JN,  
EDAPALLY ERNAKULAM- 682 016.  
PH: 0484-2557244

KERALA AYURVEDA WELLNESS  
CENTRE UNIT OF THE HEALTH  
VILLAGE  
ZEEN, AMC VIII/73,  
BANK ROAD, ALUVA 683101  
PH:0484- 3221365,0484-2623578

KERALA AYURVEDA WELLNESS  
CENTRE  
BUILDING NO-319/A,  
RAMDAS NAGAR PO,  
MADHUR GRAMMA PANCHAYATH,  
SANDYALAYAM, MANNIPADY,  
MOGRAL, KASARAGOD, KERALA,  
671124

#### CLINICS OUTSIDE KERALA

KARNATAKA:  
12, BOWRING HOSPITAL ROAD,  
SHIVAJI NAGAR, BENGALURU-560 001.  
PH: 080-25591825

KERALA AYURVEDA CLINIC  
NO.285 OPPOSITE OF LOYAL CITY  
HYPER MARKET WHITE FIELD MAIN  
ROAD, NEAR PUSHPA NUSING HOME  
BANGLORE-560 066  
TELE.NO : 080-28456212

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POST,  
VIA WHITEFIELD,  
BENGALURU-560 067. KARNATAKA  
PH: 080-27945428- 30, 65651090

THE HEALTH VILLAGE  
KERALA AYURVEDA LIMITED  
MONASTERY LANE. A M ROAD  
ALUVA 683101  
ERNAKULAM DIST.  
PH: 0484 2625630 2628630

#### TREATMENT CENTRES-OUTSIDE KERALA

KERALA AYURVEDA WELLNESS CENTER  
AD 20(PLOT NO.3337)  
5th AVENUE, ANNA NAGAR,  
CHENNAI-600 040. TAMIL NADU  
PH: 044-26214903

KERALA AYURVEDA WELLNESS CENTER  
No 3282, 12TH MAIN,  
HAL IND STAGE,  
INDIRA NAGAR,  
BENGALURU-560 038. KARNATAKA  
PH: 080-25262515,

KERALA AYURVEDA WELLNESS CENTER  
E-11, 3rd Floor,  
East of Kailash,  
New Delhi,  
South East Delhi,  
Delhi, 110065  
PH: 011-41754888/41759347

#### KALPAM CENTRES

KERALA AYURVEDA WELLNESS CENTRE  
BUNGLOW NO:65,MHADA,  
S.V.P. NAGAR, MHADA  
ANDHERI -WEST  
MUMBAI 400053.  
PH: 08169949781

KERALA AYURVEDA WELLNESS CENTRE  
6-3-0906/B/1, SOMAJIGUDA  
NEAR YASODA SPECIALITY HOSPITAL  
HYDERABAD-500 082.  
ANDHRA PRADESH  
PH: 040-66613357

KERALA AYURVEDA WELLNESS CENTER  
#400, 18TH MAIN, 6TH BLOCK,  
KORAMANGALA,  
BENGALURU-560 095., KARNATAKA  
PH: 080-41699699

KERALA AYURVEDA WELLNESS CENTER  
451 Ground Floor  
7th Main, 4th block  
JAYANAGAR, Bengaluru 560011  
PH:080-26659455

KERALA AYURVEDA WELLNESS CENTRE  
GROUND FLOOR,  
NO-1187, BHAGWATI,  
5TH MAIN, 21 ST CROSS  
7 TH SECTOR, HSR LAYOUT,  
BENGALURU URBAN,  
KARNATAKA, 560102

KERALA AYURVEDA WELLNESS CENTRE  
#55-1-19JR NAGAR  
VENKOJIPALEM, VISAKHAPATNAM  
ANDHRAPRADESH -530022

FOR ANY INFORMATION PLEASE WRITE TO  
[info@keralaayurveda.biz](mailto:info@keralaayurveda.biz)

#### DEPOTS IN KERALA:

KERALA AYURVEDA DEPOT  
13/225, Purayar  
U C College P O  
East Desom 683101  
Ph: 9349008734

KERALA AYURVEDA DEPOT  
No.38/2639,PKC Road,West Hill P.O..  
Kozhikode -5  
PH:9562508420

#### DEPOT OUTSIDE KERALA:

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N 37, LIC Colony,  
Opposite Indian Oil Petrol Bunk,  
10th Main Road,  
Bengaluru Urban, Karnataka, 560075  
Ph: 9886103070

KERALA AYURVEDA DEPOT  
6-3-906/B/1, 1ST FLOOR, SOMAJIGUDA  
BEHIND YASODA SPECIALITY HOSPITAL  
HYDERABAD-500 082.  
PH: 040-66613357

KERALA AYURVEDA DEPOT  
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JAI GURUDEO CO-OP.HOUSING SOCIETY  
PLOT NO.106B, SECTOR NEW 50E  
SEAWOOD(W)  
NAVI MUMBAI - 400 706  
PH: 9562507711

KERALA AYURVEDA DEPOT  
House No. Pvt No.142 ' (Old2) KH No.16,  
Ground Floor, Gali No.6&30 Ft Road, BLK-C  
Tomar Colony, Village, Burari.  
Delhi 110084  
Ph: 8800140581(sumith)

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SBI OFFICERS III COLONY  
SS COLONY-MADURAI  
MADURAI -625 010,  
TAMIL NADU  
PH: 0452-2606373

KERALA AYURVEDA DEPOT  
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1st FLOOR, ROOM NO.17-C  
KOLKATTA, WEST BENGAL  
PIN:700 007  
PH:033 22723015

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02718261628  
09375315208

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**ANNUAL REPORT 2022-23**

<p><b>ACADEMY</b></p> <p>KERALA AYURVEDA ACADEMY MONASTERY LANE. A M ROAD ALUVA – 683 101. PH: 0484-2628707</p> <p><b>FACTORY OUTLET</b></p> <p>KERALA AYURVEDA LIMITED FACTORY OUTLET VII/415, NEDUMBASSERY ATHANI P.O., ALUVA – 683 585. PH: 0484-2476301</p>	<p>PRODUCTS ARE AVAILABLE ONLINE AT <a href="http://www.keralaayurveda.biz">www.keralaayurveda.biz</a></p>	<p>KERALA AYURVEDA CLINIC USA 691 MILPITAS BLVD, SUITE 206 MILPITAS,CALIFORNIA 95035 USA PH:+1(888) 275-9103(Toll Free) +1(510)257-4378</p>
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2022-2023



## CONTACT US

**Kerala Ayurveda Ltd.**

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