

KERALA AYURVEDA LIMITED

Registered Office: VII/415, Nedumbassery, Athani P O, Aluva-683585

Recording Transcript

29th Annual General Meeting

Date of Meeting : 30th September, 2021
Time : 11 A.M.(IST)
Place : Through Video Conferencing(VC) or Other Audio-
Visual Means (OAVM)

Dr. K. Anilkumar - Welcome speech, Directors roll call and attendance.

Dr. K Anilkumar: Good morning every one. I am Dr. K Anilkumar, Executive director of Kerala Ayurveda Ltd. It gives me immense pleasure in welcoming All directors, shareholders to the 29th Annual General Meeting of Kerala Ayurveda Ltd. I will formally introduce directors present in the meeting.

I would like to introduce Mr. Ramesh Vangal.

Mr. Ramesh Vangal assumed charge as Director of the Company with effect from 24th January 2006. He is an experienced and successful Professional with demonstrated leadership in promoting and growing the Business. He is the 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. I would request Mr. Ramesh Vangal to mark his attendance.

Next is Mr Anand Subramanian, he is the director of KAL.

Mr. Anand Subramanian is professionally qualified as a Chartered Accountant. He has worked with Arthur Andersen and involved in Taxation and Corporate Advisory services. Subsequently he joined Infosys td and later to RSM & Co, Chartered Accountants. He is involved in financial planning and strategic initiatives of the Company.

Next is Mr. Harish Menon is a B.E (Mech), PGDM (IIM-A) with 28 years of experience and is an entrepreneur with specialization in industrial automation and machine automation. He started his career in MICO Ltd and has worked with Kotak Mahindra Capital Company. He is the Founder and Whole-time Director of Strategi Automation Solutions Pvt. Ltd, where he is responsible for Business Development, Sales and Service and Purchase functions.

You can mark the attendance Harish.

Gokul Patnaik is the Chairman of Global Agri Systems Private Limited, India's premier Agri-services organization based in New Delhi. Prior to taking premature retirement from the government, Mr. Gokul Patnaik had an illustrious career as a civil servant. As a member of the prestigious IAS cadre, he served in senior positions both with the Government of Punjab and Government of India. I welcome Gokul to the meeting.

Mr. Subramaniam Krishnamurthy is a senior Banker with extensive experience of 4 decades in the Reserve Bank of India and Commercial Banks. He served as General Manager in Indian Overseas Bank, Chennai. He was Banking Ombudsman, Chennai for about 2 years. I welcome Mr Krishnamurthy to this AGM.

Mrs. Shilpa Kiran Gududur is a Fellow Member of the Institute of Company Secretaries of India and has over 18 years of work experience in various industries. In the past, her association with corporates includes working with Mfar Constructions Pvt Ltd , GNB Technologies (India) Pvt Limited and ING Vysya Bank Ltd. She was topper of her batch while pursuing her Masters in Business Law in National Law School, Bangalore. She is Registered as an Insolvency Professional and also as Registered Valuer in Securities & Financial Assets. She is Vice President - Education of Bangalore Valuers Association.

Welcome Shilpa to this AGM.

Thank you. Now I like to mark presence of Mr Murali Krishna, CFO.

Murali Krishna - Good morning all.

Company secretary, Ms Ashitha is with us.

B.R. Ashitha - Good morning.

Mathew Joseph, Statutory auditors, Biju, internal auditor and Vicent Secretarial auditor. Welcome all to this meeting.

So once again I welcome all shareholders and directors and participants to this 29th AGM and I handover to Chairman to conduct the AGM.

Ramesh Vangal - Good morning everybody and Namaste, I will go through the various aspects of this, including the resolutions. After that there have been a few speakers who have been identified themselves, who have questions and have given these questions to us. They don't need to read the questions out because they are present. However, if they want to speak for a minute or two minutes, they are welcome. After that period the speakers will be muted and we will get back into the detailed presentation.

And at the end of this if there are further questions we can address it if they sent it by mail later.

- The Audited standalone and consolidated Balance Sheet, Profit & Loss Account, Report of the Directors and Auditors thereon has been sent to all the shareholders.
- With your permission I will consider these as read.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company had provided e-voting facility to the Members of the Company from Monday, 27th September, 2021 to Wednesday, 29th September, 2021 for all the Seven (7) resolutions mentioned in the AGM Notice. He further informs that SVJS & Associates, Company Secretaries was appointed as Scrutinizers in the said process.
- Members who have not casted their vote can start voting now, and voting will be open for 20 minutes post AGM
- Members are informed that SVJS & Associates, Practicing Company Secretaries will act as the scrutinizer in the ballot process. Upon completion of the voting process, the scrutinizer will count the votes and submit the result to the Chairman. The result of the polling would be declared by the company to the Stock Exchanges within 2 working days from the conclusion

of the meeting. The polling result will also be displayed on Company's website within 2 working days

- The Chairman then proceeded to take up the business as per agenda.

Adoption of Accounts

- I believe all of you would have gone through the Annual Report for the year ended 31.3.2021, which is with you for some time now and with your permission I will take the same as read.
- There is no qualification in the Auditors' Report. If you desire the report can be read by the Company Secretary or else, we can proceed with the next item.

The Secretarial Auditor's Report contains qualifications, part of the annual report.

We will proceed with the following resolutions.

1. To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021, 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 31st March, 2021 together with the report of the Auditor's thereon.**

“RESOLVED THAT the Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon as placed before the meeting be and are hereby approved and adopted.”

2. To appoint a Director in place of Gokul Patnaik (DIN: 00027915), who retires by rotation, and being eligible, offers himself for re-appointment.

“RESOLVED THAT Mr. Gokul Patnaik (DIN: 00027915) Director of the company, who retires by rotation at this meeting and being eligible, offers herself for reappointment, be and is hereby re-elected as director of the company whose period of office shall be liable to determination by retirement of directors by rotation.”

Special business

3. Appointment of Ms. Shilpa Kiran Gududur as an Independent Director

To consider and, if thought fit, to pass the following resolution as an “Special Resolution”:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof), Ms. Shilpa Kiran Gududur (DIN: 09067581), who was appointed as an additional director of the company, categorized as independent Director, by the board of directors with effect from 15th February, 2021, in terms of Section 161 of the Companies Act, 2013, in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing her candidature for the office of Director, be and is hereby appointed as an independent director of the company for a period of five years with effect from 15th February, 2021 to hold office up to 14th February 2026, not liable to retire by rotation.

RESOLVED FURTHER THAT any of the Board of Directors of the Company or a Committee thereof be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary to give effect to the above said resolution.”

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 through resolution dated 21st September, 2020, the consent of the Company be and is hereby accorded for ratification of the remuneration of Rs 1,00,000/- (plus out of pocket expenses & service tax as applicable) to M/s. SLR & Associates., Cost Accountants Firm as the Cost Auditors of the Company for the financial year 2020-21.”

5. To re appoint Dr. K Anil Kumar as Whole Time Director

To consider and if thought fit, to pass with or without modification the following resolution as a Special 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 company be and is hereby accorded 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, 2021 to 27th June, 2024 and he shall be paid the remuneration as approved by the Nomination & Remuneration Committee of the Board as detailed below.

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

And there is a bunch of perquisites the details of which are with you.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Dr. K Anilkumar in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits prescribed herein and in Schedule V to the Companies Act, 2013.”

RESOLVED FURTHER THAT the Board of Directors of the Company/Committee of the Board be and is hereby authorized to alter, amend or vary the terms and conditions of appointment including remuneration structure as may be agreed to between the Board of Directors and Dr. K. Anilkumar subject to the limits within such guidelines or amendments as may be made to the Companies Act, 2013 or subject to approval, if required, of the Central Government or such other authority.

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.”

6. Related party transaction with Ayurvedagram Heritage Wellness Centre Private Limited

Being a related party to the next resolution, I pass the Chair to Mr. Gokul Patnaik for putting the resolution to Related party transaction with Ayurvedagram Heritage Wellness Centre Private Limited. (Ordinary Resolution)

Gokul Patnaik : Thank you Ramesh. I will read the 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 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 is hereby accorded to the Board of Directors to enter into an agreement with its wholly owned subsidiary M/s. Ayurvedagram Heritage Wellness Centre Private Limited for lending 1000 sq.ft. space at Rs.5/- per sq. ft. for a period of 3 years with effect from 1st August, 2021 as resolved by the Board of Directors in its meeting held on 30th June, 2021 being beneficial to the company.

Thank you. I am hand it over to Ramesh Vangal. I will continue with your permission.

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.”

Ramesh Vangal - 7th resolution is 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

To consider, and if thought fit, to pass, the following resolution as a ‘Special Resolution’:

“**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), Mr. Gokul Patnaik (DIN): 00027915, Non-Executive Non-Independent Director of the Company, aged 74 years, whose present term of office is for 5 (five) years, appointed with effect from the Annual General Meeting of the Company held on 24th September, 2019 till 23rd September, 2024, and whose continuation in office with effect from 15th November 2021 requires approval of Members by way of Special Resolution being more than 75 years of age, approval of the Members of the Company be and is hereby accorded to the continuation of directorship of Mr. Gokul Patnaik as a ‘Non-Executive Non-Independent Director’ of the Company, to hold office for his remaining term of office with effect from 15th November 2021 upto 23rd September, 2024, liable to retire by rotation.”

I have done with my resolution. Let us vacate for the shareholders who had requested to speak at AGM.

B.R. Ashitha : I shall read out the names of the registered speaker shareholders. Mr Manisundaram.

Manikandan - No Manisundaram on line.

Chairman : Those queries are with us and no need of reading it out.

B.R. Ashitha - Next is Abhishek Kalra.

Abhishek: Can you please enable the camera. We are in a video conference. Please bring me in your panellist list. Then you can enable the camera. If you are not able to do this, I will continue with audio.

Hello sir, Am I audible.

1st of all I congratulate the management on the event of 29th AGM. With you and our family I would like to know how much we impacted after the Covid. How many employees are salary cut. I would like to know what are the steps being taken by management to cut out the other expenses, kindly empanel our company in your legal frame. Past 2 years there was no physical meeting. Please consider hospitality. Immunity boosting products may please be disbursed to shareholders who attended the meeting.

CDSL portal we exercise E-voting and getting the access to evoting and attending the meeting. Please update the details in that portal or send email to me.

BSE India.com,. announcement column, our stock not escalated , why there is no stock movement. You reveal the performance through advt. activities and the share price will rise to 100.

Kindly give appointment at Aluva.

I thank all directors and CS making this a great event.

Kindly give Mr Manisundaram to present through this portal.

Manisundaram - I welcome the 29th AGM. In the high traffic in NSDL and CDSL I have serviced through Kerala Ayurveda . Good change to meet and having some hospitality of your products and I am happy it is best Ayurvedic body and user friendly products. Here also give some samples to who attended the AGM and who requested product samples. In Kerala having more COVID sudden hike and release, you have done a lot of CSR activities. We accepting next time we have AGM physically in the month of July and August because end of the day we have more than 125 AGMs now today. Attending the meeting which is to be important, I neglected other meetings and attended this meeting. Very happy and thanks with Chairman and Board of director. Thanks a lot.

Ramesh Vangal : Thank you very much. We will answer these queries in our presentation. I must complement Mr. Abhishek I have never known anybody to deliver such a message so quickly and so accurately including his numbers. So congratulations. May be had our Brahmi pearls.

OK next.

B.R. Ashitha - Next we have the Raghavendra Raju Mohanapu. Not online. We can move on to next person.

Next is Santhosh Kumar Saraf.

Manikandan - I have Santhosh Prabhu. Is it the same. No there is no Santhosh Kumar Saraf. Not the same person. He is a different person.

B.R. Ashitha -Then we can start with the presentation.

Ramesh Vangal : Please switch it on.

Ladies and gentleman,

I will take you through an understanding on what this company had done and in this process you will get I believe a comprehensive sense the dynamism the staff taken during the time of Covid. It is a difficult time for all of us,. Primarily because it affected everybody. We are in Kerala and we are in all major cities ravaged by Covid. And Not know how to manage.

Covid has had a massive impact in the year 20-21 our revenues dropped by 90%.

Key Highlights FY 2020-21

- Covid-19 has had a deep and lasting impact on human life and it has presented unprecedented challenges to many, many business including Kerala Ayurveda.
- KAL's strong growth momentum in 19-20 came to a grinding halt in 20-21 because of COVID.
- KAL consolidated revenues have declined by 19% despite severe pandemic impact on the business, with 22% decline in GP and 88% EBITDA decline.
- PAT has declined from 420 Lakhs to (452) Lakhs.
- US business despite a severe Covid impact, grown 17%.
- India business has declined 26%, with our Health Service segment down by 53% due to cancellation of bookings in view of the pandemic.
- We have managed the business through significant reduction in costs & inventory, improved collections, etc.

Particulars for FY 2020-21 Rs. Lakhs	Gross Revenues	% vs PY	PAT 20-21	PAT 19-20
Kerala Ayurveda	4,337	-19%	-463	118
Ayurvedagram	287	-66%	-93	60
KAL USA	1,710	17%	254	206

Consolidated KAL*	6,219	-19%	-302	384
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Division / Rs.Lakhs	H1 Revenue			H2 Revenue			FY Revenue		
	20-21	19-20	% vs PY	20-21	19-20	% vs PY	20-21	19-20	% vs PY
Kerala Ayurveda	1,853	2,652	-30%	2,485	2,732	-9%	4,337	5,384	-19%
Ayurvedagram	118	382	-69%	169	460	-63%	287	842	-66%
KAL USA	722	674	7%	988	786	26%	1,710	1,460	17%
Consolidated KAL	2,672	3,717	-28%	3,547	3,962	-10%	6,219	7,679	-19%

Digital Focus /Recognition

Fresh Focus on High Value Global Markets

- KAL received an **Amazon award** for the 'Most Innovative Store' in September 2020.
- KAL won the **Silver medal** from the prestigious **Indian Digital Marketing Awards (IDMA)** in July 21 for **Search Engine Optimisation**.
- KAL launched a Webinar Series (**KALPAM TALKS**) which has been very successful. The first had over 4000 Doctors registered with an attendance of over 1500.
- In **Q3/4** we will focus our efforts on **expanding to Amazon UK, Germany** and building out our **Joint venture with EBay, globally**.
- To fuel this we have just made available over 150 innovative products for sale in the US, Europe. These products are a combination of high value OTC, personal care range and OTX products which have been carefully tailored to meet USFDA and importantly California Prop 65 standards which are amongst the most stringent in the world.

Most Innovative Store of the year

Amazon Connect 2020, a two-day summit was recently hosted by Amazon where Kerala Ayurveda Limited was awarded the most innovative store of the year in the first ever virtual event.

Kerala Ayurveda Personal care and skincare range includes 27 USDA organic products.

What we need to do. As we look forward we are trying to understand how we can refinance this company which has a high debt structure. We need to come to a different perspective. But fortunately we are in the process of launch of these particular businesses and these businesses will come on flow in this quarter and we expect a good future. We think those shareholders who remained with us for a period of time will be happy. Namasthe. And thank you very much.

A few images of Kerala Ayurveda products were presented with a brief description

B.R. Ashitha : Thank you. Now we have the vote of thanks by Dr K Anilkumar.

Vote of thanks by Anilkumar

At the end of the official AGM I would like to thank Ramesh Vangal who conducted the AGM and all the director attended and also CFO, Statutory and Internal auditors Mr Mathew, Mr Biju and Mr Vincent, CS Ashitha Thanks all of you. And once again thank you all the shareholders. Thank you very much.

B.R. Ashitha: Thank you sir.