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KERALA AYURVEDA LIMITED

29TH ANNUAL REPORT 2020 - 2021

**BRING HOME THE GOODNESS
OF AYURVEDA**



Academies • Clinics • Hospitals • Products • Resorts





**A RANGE OF NEWLY BRANDED,
NEWLY DESIGNED AND NEWLY PACKAGED
PRODUCTS WERE LAUNCHED IN USA, RECENTLY**



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THE **GOODNESS**
OF AYURVEDA**

WE TAKE PRIDE IN WHAT WE DO.
A COMMITMENT TO MAKE A HEALTHY
CHOICE TO BRING WELLNESS, NATURALLY!



Kerala Ayurveda Inc.

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Academy Wellness Products



OUR AWARDS AND ACCOLADES: DIGITAL



**KERALA AYURVEDA LIMITED WAS
AWARDED THE “MOST INNOVATIVE STORE
OF THE YEAR”, AT AMAZON CONNECT 2020**



**"BEST SEARCH ENGINE OPTIMIZATION
CAMPAIGN-BEST SEO", E4M INDIAN DIGITAL
MARKETING AWARDS (IDMA) 2021**



CORPORATE INFORMATION

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

CFO

Mr. Narumanchi Muralikrishna
(With effect from 7th September, 2020)

COMPANY SECRETARY

Ms. B.R. Ashitha
(With effect from 30th June, 2020)

REGISTERED OFFICE & FACTORY

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

CIN

L24233KL1992PLC006592

CORPORATE OFFICE

No.1134, 1st Floor, 100 Ft Road,
HAL 2nd Stage, Indiranagar, Bengaluru– 560008.

SECRETARIAL AUDITORS

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

BANKERS

Kotak Mahindra Bank Ltd

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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CHAIRMAN'S LETTER

Dear Shareholders,

I would like to wish you all good health during these difficult times. That's paramount.

COVID has had a deep and lasting impact on human life and it has presented unprecedented challenges to many, many businesses, including ours.

KAL's strong growth momentum in 19/20 came to a grinding halt in 20/21 because of COVID. KAL India business declined 26% with our Health Service (HS) Business down 53% due to cancellations of bookings. The drop in our higher margin HS business in particular hurt the company and KAL suffered a significant loss in 20/21 (Consolidated PAT loss of ₹ 484 lacs vs PAT profit of ₹405 lacs in 19/20).

The Company reacted quickly to the crisis. In Aug 2020 we embarked on the following strategies-

- **Q1/ Q2:** Survive. Manage cash flow. Convert Fixed to Variable costs
- **Q3/Q4:** Re-imagine / Reconstruct the business

We focused on transforming the company towards becoming a digitally led business and we focused on the promising high margin US business. The results were striking. We cut costs while investing in the future - Digital and US business - Consumer focused Product innovation

- India overall 20/21 costs reduced by 28% vs 19/20
- India HS business costs reduced 54% vs 19/20
- Digital / E-commerce business more than doubled
- US business despite a severe COVID impact climbed 17% in 20/21

We are building a resilient company which can withstand further COVID waves and indeed other such shocks. We have suffered a second COVID and there is talk of a third wave.

In 21/22 we are projecting a strong recovery for our business by continued focus on optimising cost structure by re-engineering the financial spine and selective investments behind US, Digital and Consumer centric product and channel innovation.

Q1 21/22 results have been encouraging with the Company turning around with Consolidated Sales up 55 pct (vs 20/21) and up 15 % (vs 19/20) despite the second COVID wave. Importantly, Q1 21/22 consolidated profit was an encouraging of ₹1.16 crore after 5 quarters of losses because of COVID. Our focus on US and Digital is giving us good results and will continue to invest in 21/22 and look forward to reaping the results in 22/23 and beyond

What is most satisfying is to see the recognition we are getting in the Digital domain and a fresh focus on the 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.

Finally, I would like to salute the KAL team who have marvellously pulled together despite many of our staff being personally impacted by COVID to help KAL's transformation! We begin to see the 'green shoots' emerging for a shock proof new KAL which can drive business with sustainability in the years to come. We look forward to the future with excitement. We are at an early stage but we are very optimistic. Take care.

14th August, 2021

Ramesh Vangal
Chairman

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 ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Kerala Ayurveda Limited (CIN:L24233KL1992PLC006592) will be held on Thursday, 30th September, 2021 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, Government of India:

ORDINARY BUSINESS

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

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.

I 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 in excess of 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.

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

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 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 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.

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.”

7. 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.”

Order of the Board of Directors

For Kerala Ayurveda Limited

Sd/-

Place: Bengaluru

B.R. Ashitha

Date: 14.08.2021

Company Secretary

Notes:

1. In view of the continuing COVID-19 pandemic and restrictions imposed the Ministry of Corporate Affairs (“MCA”) vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 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 SEBI, 29th AGM of the company will be conducted through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).
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. Register of Members and the Share Transfer Books will remain closed from **Friday, 24th September, 2021 to Thursday, 30th September, 2021** (both days inclusive).
4. Corporate Members intending to permit their authorised 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) authorised 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 being annexed to this Notice.
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. In view of the prevailing circumstances due to the COVID-19 pandemic, and also in conformity with the applicable regulatory requirements, the notice of the 29th AGM along with the Annual Report 2020-21 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 2020-21 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 e-mail 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: 044-28140801 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 latest by 25th September, 2021.

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 Twenty Ninth 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 EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 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 Monday, 27th September, 2021 (9.00 a.m.) and ends on Wednesday, 29th September, 2021 (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 Thursday, 23rd September, 2021 (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.
- 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">1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.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.3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
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 e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & 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 helpdesk.evoting@cdslindia.com 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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

- 1) The shareholders should log on to the e-voting website 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 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:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> 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).

- 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-210908004 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 and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- 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 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 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/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM 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(210908004) 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 e-Voting 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 their 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 meeting** mentioning their name, demat account number/folio number, email id, mobile number at 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/EGM 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/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.

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, 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 / RTA email id- 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 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 or call on 022-23058542/43.

Explanatory Statement in respect of the Special Business Pursuant to Section 102 of the Companies Act, 2013.

Item No.3

Ms. Shilpa Kiran Gududur was appointed as an Additional Director on the Board of Directors and designated as Independent Director of the Company up to 30th September 2021 with effect from 15th February, 2021 and in terms of the provisions of Section 161 of the Companies Act, 2013, she holds office up to the date of this Annual General Meeting. A notice in terms of Section 160 of the Companies Act, 2013, has been received for candidature for the office of Director of the Company. A brief resume of Ms. Shilpa Kiran Gududur is given in the Notes to the Notice of this Annual General Meeting. No Director other than Ms. Shilpa Kiran Gududur is concerned or interested in the resolution. Your Directors recommend the resolution for your approval.

Item No.4

M/s. SLR & Associates, Cost Accountants, have been appointed as the Cost Auditors of the Company for the financial year 2020-21 by the Board of Directors through resolution dated 21st September, 2020. It is proposed to pay Rs 1,00,000/- (plus out of pocket expenses & service tax as applicable) to M/s. SLR & Associates as the remuneration to the Cost Auditors for the FY 2020-21.. 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

Dr. K. Anilkumar was appointed as Whole time Director of the company with effect from 28th June, 2018 for the period of three years. The shareholders of the Company, at the Annual General Meeting held on 15th November, 2018, had approved his appointment. The existing tenure of Dr. K. Anilkumar expired on June 27, 2021. The Board of Directors at their meeting held on 14th June, 2021 on terms and conditions as approved by Nomination and remuneration Committee has decided to re appoint Dr. K. Anilkumar as Whole time Director of the Company for a further term of 3 years upto 27th June, 2024 on the terms and condition as set out in aforesaid resolution. Notwithstanding anything contrary herein contained, where in any financial year during the tenure of the appointee, the company has no profits or inadequate profits, the company will pay remuneration by way of salary, perquisites and allowances as specified above, as minimum remuneration subject to the overall ceiling as is set out in Schedule V to the Act. The Board considers the extension of term of Dr. K. Anilkumar as beneficial and in the interest of the company and recommends the resolution for your approval. A brief resume of Dr. K. Anilkumar is given in the Notes to the Notice of this Annual General Meeting. No Director other than Dr. K. Anilkumar is concerned or interested in this resolution. This may be treated as an abstract of the Agreement entered into between the company and Dr. K. Anilkumar, pursuant to Section 190 of the Act. The Agreement between the Company and Dr. K Anilkumar is available for inspection and the members desiring to have inspection of the same shall contact on companysecretary@keralaayurveda.biz for the same .

Item No.6

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 lending 1,000 sq. ft. space at Rs.5/- per sq. ft. for a period of 3 years with effect from 1st August, 2021 for storing Ayurvedic medicines and formulations for re distribution as per the rental agreement with the party. The Board of Directors in its meeting dated 30th June, 2021 resolved to execute an agreement with 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 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 company by a resolution 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 the also on Board of Ayurvedagram Heritage Wellness Centre Private Limited and are concerned or interested, in the resolution as they are directors of Ayurvedagram Heritage Wellness Centre, subsidiary of Kerala Ayurveda Limited. They are not holding any shares or beneficial interest in Ayurvedagram Heritage Wellness Centre Private Limited

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

Item No.7

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a Non Executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. The Members of the Company, at their Annual General Meeting held on 24th September 2019, had granted approval for appointment of Mr. Gokul Patnaik (DIN:00027915 Non Executive, Non-Independent Director of the Company for a term of 5 (five) years, w.e.f. 24th September, 2019 to 23rd September, 2024, liable to retire by rotation. The continuation as Non-Executive Independent Director with effect from 15th November, 2021 shall require approval of the Members by way of passing Special Resolution(s). A brief justification for their continuation as Non-Executive Independent Directors on the Board of the Company with effect from 15th November, 2021 is as under:

Mr. 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. Mr. Gokul Patnaik has been the President of the All India Food processors' Association, a member of the National Council of CII and a member of the Task Force on Agriculture of FICCI.

ANNEXURE PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS 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:

DR. K. ANIL KUMAR	Executive Director
DIN	00226353
Date of the first appointment at the Board	28.06.2006
Date of Birth/Age	13.07.1954/67 Years
Qualification	BAMS
Nature of expertise in specific functional areas	<p>Dr. K. Anil Kumar, an eminent Ayurveda Physician from Kerala, was the former Managing Director of Kerala Ayurveda Pharmacy Ltd(KAPL) from 1992-2006. Currently he is the Executive Director of Kerala Ayurveda Limited. In addition to this he is:-</p> <ul style="list-style-type: none"> ➤ Faculty of Ayurveda - Kerala University of Health Sciences ➤ Faculty of Social Sciences – Cochin University of Science and Technology ➤ Recipient of <i>Outstanding Entrepreneurship Award</i> from KSIDC on the occasion of their Golden Jubilee Celebrations. ➤ Vice President (South Region) of Ayurveda Drug Manufacturers Association(ADMA) ➤ Former President- Ayurveda Medical Association of India (AMAI)- largest association of Ayurveda Doctors – for 10 years ➤ Member -Pharmacopeia commission for Indian Medicine and Homoeopathy- AYUSH Govt of India. ➤ Former member of CCIM (Central Council of Indian Medicines Dept of Ayush) ➤ Executive Member–Ayurvedic Medicine Manufacturers Organization of India (AMMOI).
Directorship in other Companies	1) KAL AYURVEDA RESEARCH & EDUCATION FOUNDATION
Chairman /Member of the Committee of the	Stakeholders Relationship Committee , KAL –

Board of Directors of the Company	Member
Chairman /Member of the Committee of other Companies in which he is a Director	Nil
Shareholding in the Company (equity shares of Rs. 10 each)	200129 Shares
Number of Meetings of the Board attended during the year 2020-21	Attended 4 out 4 meetings held
Relationship with other directors, manager and other KMPs of the Company	Nil
Remuneration last drawn	Rs.2,45,000

SHILPA KIRAN GUDUDUR	Independent Director
DIN	09067581
Date of the first appointment at the Board	15.02.2021
Date of Birth/Age	02.06.1980/41 Years
Qualification	She is a commerce graduate from University of Mumbai, member of The Institute of Company Secretaries India, an LLB Graduate from Bangalore University, Masters in Business Law from the prestigious National Law School. She is Registered as an Insolvency Professional and also as Registered Valuer in Securities & Financial Assets
Terms and conditions of appointment	Appointed as Non-Executive Director (Independent). She will not be liable to retire by rotation.
Nature of expertise in specific functional areas	Ms. Shilpa Kiran Gududur is presently practicing since August, 2011 as Company Secretary in areas of Corporate law, Securities Laws, FEMA compliances, LLP, renders various corporate advisory services. Regular speaker at various colleges, Institute of Company Secretaries, Institute of Cost Accountants of India, Bankers' Staff Training College, MBA colleges, 50 hours Valuation Classes, IIV RVO etc. Issued Valuation report for various startups, for Amalgamation & Merger, for demerger, stock reports, Buyback and Insolvency cases. She has done crash course on Startups. She has worked with Mfar Constructions Pvt Ltd , GNB Technologies (India) Pvt Limited and ING Vysya Bank

	Ltd as Company Secretary,
Directorship in other Companies	NA
Chairman /Member of the Committee of the Board of Directors of the Company	Nil
Chairman /Member of the Committee of other Companies in which he is a Director	Nil
Shareholding in the Company (equity shares of Rs. 10 each)	Nil
Number of Meetings of the Board attended during the year 2020-21	Nil
Relationship with other directors, manager and other KMPs of the Company	Nil
Remuneration last drawn	Nil

GOKUL PATNAIK	Non Executive Director
DIN	00027915
Date of the first appointment at the Board	28.05.2016
Date of Birth/Age	15.11.1946/74Years
Qualification	M.A (Political science)
Nature of expertise in specific functional areas	Mr. Gokul Patnaik is the Chairman of Global Agri Systems Pvt. Ltd., India's premier agri-services organization based in New Delhi. Prior to taking premature retirement from the government, Mr. Patnaik had an illustrious career as a civil servant. As a member of the prestigious IAS, he served in senior positions both with the Government of Punjab and Government of India. While in Government, he headed a number of Public Sector Undertakings (PSUs) including Punjab State Industrial Development Corporation(PSIDC), Punjab MARKFED and Punjab Agro Industries Corporation (PAIC). As Managing Director of PAIC, he negotiated and set up a landmark joint venture between Punjab Agro& PepsiCo of U.S.A. This was the first high profile entry of a major multinational

	<p>company into the country after 1977. He was also the Chairman of Agricultural and Processed Food Products Export Development Authority (APEDA) under the Ministry of Commerce where he was able to achieve over 700% growth in Indian agri-exports by effective Public- private partnership.</p> <p>Mr Gokul Patnaik has been the President of the All India Food processors' Association, a member of the National Council of CII and a member of the Task Force on Agriculture of FICCI. He is on the Board of Trustees of the Prince of Wales' Bhumi Vardaan Foundation which promotes sustainable agriculture in the Punjab and help to ensure a viable way of life on the land not only for today's farmers but for future generations. He also chaired the Working Group on Agricultural Marketing Infrastructure, Secondary Agriculture and Policy Required for Internal and External Trade constituted by the Planning Commission. He is a well known authority on agri business and has contributed many articles on agri business and his views were frequently sought for by the Government as well as the private sector.</p>
Directorship in other Companies	<ol style="list-style-type: none"> 1) LT FOODS LIMITED 2) GLOBAL AGRI SYSTEM PRIVATE LIMITED 3) GOKUL PATNAIK ASSOCIATES PRIVATE LIMITED 4) SEGROW BIO-TECHNICS (INDIA) PRIVATE LIMITED 5) GLOBAL NUTRIFOOD PRIVATE LIMITED 6) KATRA VISION PRIVATE LIMITED 7) ACCESS ABROAD INDIA PRIVATE LIMITED 8) KATRA PHYTOCHEM PRIVATE LIMITED 9) KATRA PHYTOCHEM (INDIA) PRIVATE LIMITED

	10) SUNVITA FOODS PRIVATE LIMITED
Chairman /Member of the Committee of the Board of Directors of the Company	Nil
Chairman /Member of the Committee of other Companies in which he is a Director	Member –Stakeholders Relationship Committee (LT Foods Limited) Chairperson – Audit Committee (LT Foods Limited) Chairperson – Nomination and Remuneration Committee (LT Foods Limited)
Shareholding in the Company (equity shares of Rs. 10 each)	65 shares
Number of Meetings of the Board attended during the year 2020-21	Attended 4 out 4 meetings held
Relationship with other directors, manager and other KMPs of the Company	Nil
Remuneration last drawn	Nil

By Order of the Board of Directors
For Kerala Ayurveda Limited

Place: Bengaluru

Date: 14th August, 2021

B.R. Ashitha
Company Secretary

From

K T George
Karaparambil House
Thykkudam Vyttila P O
Vyttila South,
Ernakulam-682019

14th August, 2021

To

The Board of Directors
Kerala Ayurveda Ltd
Athani P O
Aluva

Dear Sir,


I propose the name of Mr. Gokul Patnaik (DIN): 00027915, as Non-Executive Director of the company.

Mr. Gokul Patnaik is the Chairman of Global Agri Systems Pvt. Ltd., India's premier agri-services organization based in New Delhi. Prior to taking premature retirement from the government, Mr. Patnaik had an illustrious career as a civil servant. As a member of the prestigious IAS, he served in senior positions both with the Government of Punjab and Government of India. While in Government, he headed a number of Public Sector Undertakings (PSUs) including Punjab State Industrial Development Corporation (PSIDC), Punjab MARKFED and Punjab Agro Industries Corporation (PAIC). As Managing Director of PAIC, he negotiated and set up a landmark joint venture between Punjab Agro & PepsiCo of U.S.A. This was the first high profile entry of a major multinational company into the country after 1977. He was also the Chairman of Agricultural and Processed Food Products Export Development Authority (APEDA) under the Ministry of Commerce where he was able to achieve over 700% growth in Indian agri-exports by effective Public-private partnership.

Mr Gokul Patnaik has been the President of the All India Food processors' Association, a member of the National Council of CII and a member of the Task Force on Agriculture of FICCI. He is on the Board of Trustees of the Prince of Wales' Bhumi Vardaan Foundation which promotes sustainable agriculture in the Punjab and help to ensure a viable way of life on the land not only for today's farmers but for future generations. He also chaired the Working Group on Agricultural Marketing Infrastructure, Secondary Agriculture and Policy Required for Internal and External Trade constituted by the Planning Commission. He is a well known authority on agri business and has contributed many articles on agri business and his views were frequently sought for by the Government as well as the private sector.

Please place my proposal before the AGM for its consideration and passing necessary resolution in this regard.

Yours truly,



K T George

From

Annamma K T
Koorans House
Poikattussery
Chengmanad P O

14th August, 2021

To

The Board of Directors
Kerala Ayurveda Ltd
Athani P O
Aluva

Dear Sir,

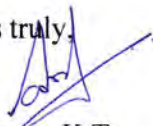
I propose the name of Ms. Shilpa Kiran Gududur, (DIN: 09067581), as Non-Executive Director (Independent) of the Company.

Ms. Shilpa Kiran Gududur is presently practicing since August, 2011 as Company Secretary in areas of Corporate law, Securities Laws, FEMA compliances, LLP, renders various corporate advisory services. Regular speaker at various colleges, Institute of Company Secretaries, Institute of Cost Accountants of India, Bankers' Staff Training College, MBA colleges, 50 hours Valuation Classes, IIV RVO etc. Issued Valuation report for various startups, for Amalgamation & Merger, for demerger, stock reports, Buyback and Insolvency cases. She has done crash course on Startups.

She has worked with Mfar Constructions Pvt Ltd , GNB Technologies (India) Pvt Limited and ING Vysya Bank Ltd as Company Secretary,

Please place my proposal before the AGM for its consideration and passing necessary resolution in this regard.

Yours truly,



Annamma K T

From

Latha S
Kozhikattil House
Paravoor Junction
Aluva

14th August, 2021

To

The Board of Directors
Kerala Ayurveda Ltd
Athani P O
Aluva

Dear Sir,

I propose the name of Dr. K. Anilkumar, (DIN 00226353), as Executive Director of the Company.

Dr. K. Anil Kumar, an eminent Ayurveda Physician from Kerala, was the former Managing Director of Kerala Ayurveda Pharmacy Ltd(KAPL) from 1992-2006. Currently he is the Executive Director of Kerala Ayurveda Limited. In addition to this he is:-

- Faculty of Ayurveda - Kerala University of Health Sciences
- Faculty of Social Sciences – Cochin University of Science and Technology
- Recipient of *Outstanding Entrepreneurship Award* from KSIDC on the occasion of their Golden Jubilee Celebrations.
- Vice President(South Region) of Ayurveda Drug Manufacturers Association(ADMA)
- Former President- Ayurveda Medical Association of India (AMAI)- largest association of Ayurveda Doctors – for 10 years
- Member -Pharmacopeia commission for Indian Medicine and Homoeopathy-AYUSH Govt of India.
- Former member of CCIM(Central Council of Indian Medicines Dept of Ayush)
- Executive Member–Ayurvedic Medicine Manufacturers Organization of India (AMMOI).

Please place my proposal before the AGM for its consideration and passing necessary resolution in this regard.

Yours truly,


Latha S

BOARD'S REPORT

To,

The Members

Your Directors have the pleasure in presenting the 29th Annual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL RESULTS

The Company's financial performance during the year 2020-21 as compared to the previous year 2019-20 is summarized below:

(in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Product Revenues	3968.76	4428.41	4298.14	4763.7
Service Revenues & Other Income	351.51	940.05	1909.25	2913.62
Gross Income	4320.28	5368.47	6207.39	7677.32
Less: VAT & Excise Duty	310.10	360.39	310.10	360.39
Net Income from Sales/Services	4010.18	5008.08	5897.29	7316.93
Profit before Interest, Depreciation & Tax (EBITDA)	28.66	311.50	86.16	722.85
Profit before extraordinary items and tax	-657.6	121.57	(673.83)	453.76
Extra Ordinary items	0	0	0	0
Profit Before Tax	-657.6	121.57	(673.83)	453.76
Net Profit/Loss after tax	-495.05	87.69	(484.36)	405.33
Minority interest in Profit	0	0	0	15.60
Other Comprehensive Income	32.21	30.1	32.21	30.10

Net Consolidated Profit/Loss	-462.84	117.79	(452.15)	419.83
Loss Brought forward from previous year	(797.15)	(914.94)	(1471.62)	(1891.45)
Loss Carried to the Balance Sheet	(1259.99)	(797.15)	(1923.77)	(1471.62)

REVIEW OF OPERATIONS

During the Financial Year under review, the operational results ended with a loss of Rs.657.60 Lakhs as against a profit Rs. 121.57 Lakhs during previous year. The Net revenue of the company stands at Rs.4337.44 Lakhs as against Rs.5384.11 Lakhs during previous year showing a decline of 19.43%. The consolidated net revenue including its subsidiaries for current year is Rs.6218.63 Lakhs against Rs. 7679.31 Lakhs during the previous year.

During the year company's digital presence has substantially improved across social media and other platforms, website was upgraded this will go in a long way to popularize "Kerala Ayurveda" Brand cost effectively. The Company has launched a tele consultation "Digiapp" to enhance the reach of Ayurveda services and consultation all over India and globally

Kerala Ayurveda Limited and its wholly owned subsidiary, Suveda Inc, USA (doing business in the name of Kerala Ayurveda Inc., USA) have collaborated with eBay, a pioneer in global E-commerce to facilitate a wider market reach and to promote authentic Ayurveda in markets where eBay has a direct presence.

KAL Labels and packaging have been completely revamped to meet the demands of new generation and for it to stand out against competitors.

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Your company has seven subsidiaries including one step down subsidiary as on 31st March, 2020 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.	CM S 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 KatraNursing 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.287.15 lakhs as against Rs. 842.27 lakhs in the previous financial year. Accordingly, the EBITDA of the company is Rs.-45.57 lakhs against 154.20 lakhs in the previous year.

➤ **Overseas Subsidiaries**

The combined turnover of overseas subsidiaries was Rs.1709.64 Lakhs as compared to Rs. 1704 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 2020-21 was Rs.1579.39 Lakhs as compared Rs. 1,516.73 Lakhs in the previous year. The profit of the subsidiary after taxes was Rs. 330.3 Lakhs as compared to Rs. 351.95 Lakhs in the previous year.

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

The turnover of Suveda Inc. during the financial year 2020-21 was Rs. 130.25 Lakhs as compared Rs. 187.28 Lakhs in the previous year. The subsidiary incurred a loss of Rs. 76.44 Lakhs as compared to a loss of Rs 145.44 in the previous year.

c) Ayu Natural Medicine Clinic, PS, USA,

The turnover of Ayu Natural Medicine Clinic, P S, USA was nil during the financial year 2020-21 and in the previous year. The subsidiary has not earned any profit in the financial year 2020-21 and in the previous year

d) CMS Katra Holdings LLC, USA,

The turnover of CMS Katra Holdings LLC, USA was nil during the financial year 2020-21 and in the previous year. The subsidiary has not earned any profit in the financial year 2020-21 and in the previous year

e) CMS Katra Nursing LLC, USA

The turnover of CMS Katra Holdings LLC, USA was nil during the financial year 2020-21 and in the previous year. The subsidiary has not earned any profit in the financial year 2020-21 and in the previous year

f) Nutraveda Pte Ltd

The turnover of Nutraveda Pte Ltd was nil during the financial year 2020-21 and in the previous year. The subsidiary has not earned any profit in the financial year 2020-21 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 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%20the%20Investor%20Tab). 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, 2021, 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 31st March, 2021.

RESERVES

The company does not propose to transfer any amount to reserves during the period. At the end of the year, the Other equity of the company is Rs. (51.45) Lakhs as against Rs. 411.39 Lakhs of the previous year. During the year the company had a deficit of Rs.462.84 Lakhs.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2021

DIRECTORS& KEY MANAGERIAL PERSONS:

Appointment / Reappointment / Resignation of Directors/Retirement of Directors

Resignation of Directors

Ms. Shailaja Chandra (DIN: 03320688) resigned from the office with effect from 6th January, 2021 and Mr. Kshiti Ranjan Das (DIN: 07212449) resigned the Company with effect from 3rd February, 2021. The resignation was due to their pre occupations and no other material reasons

Appointment of Director

The Board of Directors had appointed Ms. Shilpa Kiran Gududur (DIN: 09067581) as Additional Independent Directors on the Board with effect from 15th February, 2021 pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with the Articles of Association of the company to hold the office up to the conclusion of the ensuing Annual General Meeting.

Brief resume of the Independent Director seeking re-appointment along with other details required are provided in the notice of the 29th Annual General Meeting of the Company. Appropriate resolution for her appointment is being placed for approval of the members at the ensuing Annual General Meeting.

Retirement by rotation

Mr. Gokul Patnaik, (DIN 00027915), 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. Surbhi Sharma resigned from the post of Company Secretary of Kerala Ayurveda Limited with effect from 15th November, 2019. Ms. B.R. Ashitha was appointed as the Company Secretary of the Company by the Board of Directors with effect from 30th June, 2020.

Further, Mr. Arvind Agarwal, Chief Financial Officer resigned from his post with effect from 7th September, 2020 and Mr. Narumanchi Muralikrishna was appointed as the Chief Financial and Chief Operating Officer with effect from 7th September, 2020

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 Four Board Meetings, four Audit Committee Meetings, Two Nomination Remuneration Committee meetings and Two 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 2020-21, the Board of Directors of the Company met on the following dates-30th June, 2020; 14th August, 2020;12th November, 2020 and 15th February 2021

Further, separate meeting of Independent Directors of the Company was held on 5th December, 2020 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 done 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 DISCLSOURES 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 29th 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 manner in which 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, was appointed as the Statutory Auditors of the Company at the AGM held on 24th September, 2019 for a term of five consecutive years from the conclusion of the 27th Annual General Meeting till the conclusion of 32nd 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, 2021 forms part of this Annual Report. There have been no qualifications, reservation, adverse remarks or disclaimer given by the Statutory Auditors in their Report which calls for any explanation.

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 **(i)** The notice of Annual General Meeting was sent on 09.09.2020 for the meeting held on 30.09.20- *Considering the prevailing pandemic conditions there was a slight delay* **(ii)** The Financial Statements were not signed by the Company Secretary in accordance with Section 134 (1) of the Companies Act, 2013 and the AoC1 was not signed by all the persons who have signed the balance sheet. -The

appointment of Company Secretary was taken up for consideration on the meeting held on 30.06.2021 after signing of the financials. (iii) The Directors of the Company - Mr. Ramesh Vangal (DIN : 00064018), Mr. Gokul Patnaik (DIN : 00027915), and Mr. Anand Subramanian (DIN : 00064083), were the directors of "Global Nutrifood Private Limited" which has not filed its financial statements for the last three years as required under the provisions of the Companies Act, 2013 and attracted Section 164. Further, these directors have resigned from the Board of Global Nutrifood Private Limited and the said company has acknowledged their resignations with effect from 30.12.2020. As the required forms were not filed by the said company, the Directors represent that they are taking active steps to file these documents and ensure compliance.- The Company shall ensure to file the same. (iv) Tata Global Beverages Limited ('TGBL') has made an application on 25.10.2019 before the Hon'ble NCLT, Kochi for recovery of Rs.5.18 crores along with interest, being advance of Rs 4.25 crores made to the company under the Joint Development Agreement dated 28.06.2013, pursuant to the MOU dated 27.12.2010, Joint Development Agreement dated 09.02.2012 and Guarantee Agreement dated 05.09.2014. The Company filed an application before the Hon'ble NCLT, Kochi. The Hon'ble NCLT, Kochi vide its order dated 10.02.2020 dismissed the application made by the Company. The Company filed an appeal before the Hon'ble NCLAT and the Hon'ble NCLAT vide its order dated 26.05.2020 dismissed the Company's appeal stating that the Hon'ble NCLT, Kochi has not passed any order either admitting or rejecting the application of TGBL. The matter is pending before the Hon'ble NCLT, Kochi. (v) 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. The requirement of having half of the board of directors of the listed entity as independent directors was not met during the last quarter from 06.01.2021- The Company is diligently working on the appointment of an Independent Director (vi) As per Regulation 33 (3) (a) and (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall submit quarterly and year-to-date standalone and consolidated financial results to the stock exchange within 45 days of end of each quarter, other than the last quarter. For the third Quarter ended December, 2020 the quarterly results were submitted on 15.02.2021- Considering the prevailing pandemic conditions there was a slight delay (vii) As per Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed entity shall submit to the stock exchange and publish on its website a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders; Annual Report was submitted to the Stock Exchange a day later than the day of commencement of dispatch to its shareholders.- Considering the prevailing pandemic conditions there was a slight delay

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 2020-21. The Company has maintained cost records for the financial year 2020-21.

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/ 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

Tata Global Beverages Limited ('TGBL') had preferred an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against the company on 25.10.2019 before the Hon'ble NCLT, Kochi making a claim for recovery of Rs. 5.18 crores along with Interest, which is actually a trade advance of Rs.4.25 crores made to the company under the Agreement dated 28.06.2013, pursuant to the MOU dated 27.12.2010 and Joint Development Agreement dated 09.02.2012. The trade advance has been secured by an equitable mortgage vide a tripartite agreement dated 05.09.2014. The Company filed an application before the Hon'ble NCLT, Kochi under Section 8 of the Arbitration and Conciliation Act, 1996 with a view that disputes between the parties under the aforesaid agreements are to be resolved by reference to arbitration. The matter is yet to be admitted and therefore is sub-judice and pending before the Hon'ble NCLT, Kochi. The Company has also disputed the interest claim of Rs.93 lakhs raised by TGBL. On 25.06.2021 the Company filed civil petition before the Hon'ble High Court of Karnataka under section 11(6) of the Arbitration and Conciliation Act,1996 seeking for appointment of an arbitrator to adjudicate the disputes between the parties.

CORPORATE SOCIAL RESPONSIBILITY

Your company always had a deep sense of responsibility towards the community. However, 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.

COVID-19 IMPACT

	Particulars	Impact
1.	Impact of the COVID-19 pandemic on the business and operations	The outbreak of COVID-19 pandemic is resulting in an economic slowdown all over the world. The regular business operations have been disrupted severely due to lockdowns, restrictions in transportation, supply chain disruptions, travel bans, social distancing and other emergency measures. The Lockdown started from 22nd March 2020 and we were able to open our outlets in the 1st week of April by taking precautionary measures and by following social distancing norms as prescribed by Government. Partial production started from 18th May onwards and continued to operate with single shift. Our Health Resorts Ayurvedagram and The Health Village are affected severely and occupancy is less than 10%.
2.	Measures taken for smooth functioning of operations	The Company has put in place strict monitoring process for Covid-19

		<p>precautions ensuring the following: -</p> <ul style="list-style-type: none"> ▪ Restricted the entry of visitors to Factory and collect Self declaration form from the visitors ▪ Persons without wearing mask are not allowed to Factory ▪ Strictly monitored Body temperature of all employees and Visitors during their entry and exit and if the temperature is above 37.5C their entry to the Factory was restricted ▪ Mask, Gloves, head shield and PPE Kit has been given to Security Office. ▪ Strictly followed hand sanitization of all employees and fixed sanitizers at every Department and sanitizer with Pedal at main Gate ▪ Providing two masks to all employees ▪ Face shield given to Drivers and Depot staff ▪ Ensuring social distancing mainly at the time of Punching and at Canteen during Tea / lunch time ▪ Covid Protocol Awareness classes has been given to all employees ▪ Conducted mass Antigen Test Camps at both Factories and Depots ▪ Registration of Vaccination has been done for all employees ▪ 2 dose Vaccination process is undergoing to all employees ▪ Ayush kwath and other Ayurveda medicines given to all employees to improve the immunity of employees. ▪ Timely instructions of Health Department have been strictly followed in the case of employees who were affected Corona ▪ Fumigation has been done every day in all Departments ▪ Self-Quarantine measures have strictly followed to those who were attended Public Functions /Hospitals/ Death/Marriage functions.
3.	Future impact of CoVID-19 on operations	<p>The Company has resumed its operations with partial lifting of lockdown from May. Considering the current CoVID-19 situation there was re-introduction of lockdown in certain parts of Bangalore and Kerala. However, the utilization capacity reached the normal levels. The sale of ayurvedic medicines is increasing stage but the recession in Health Care services is to be regained to its initial position.</p>
4.	Impact details of CoVID-19	<ul style="list-style-type: none"> ▪ Capital and Financial Resources:

The Company, in the normal course of its business, may raise/obtain financial resources/facilities, from time to time. Income from services to foreigners is unpredictable in the present scenario.

▪ **Profitability**

Despite of the impact of the pandemic, the Company had to continue to incurring fixed expenses like salaries, rent etc. which affecting overall profitability of the Company and that effect would be impacted for the coming two quarters of the Company. However, employees accepted reduction in salary. Rent at most of the places was discounted by the landlords. Staff Accommodations were closed at various locations due to work from home. Some suppliers were ready to give the raw materials without considering the outstanding.

▪ **Liquidity**

There is possibility of liquidity tightness as a result of extension in credit period granted to customers, timely payment to service providers and staff.

▪ **Assets**

As per our internal assessment, the Company does not foresee major risk to recoverability of assets such as inventories, investments, receivables etc. though there has been some delay in collection of receivables.

▪ **Internal Financial Reporting and Control**

The Company evaluated the internal controls including internal controls with reference to financial statements, which have been found to be operating effectively, given that there have been no dilution of such controls due to factors caused by COVID 19 situation.

▪ **Supply Chain**

The company had started production at lower capacity but then after increased gradually and is expected to improve logistics and supply chain despite the challenges which still remains such as inter-state restrictions due to partial lockdown conditions in various states.

		<ul style="list-style-type: none"> ▪ Demand for Product/Services The company is engaged in manufacturing of Ayurvedic products. The sales is expected to increase considering the requirement immunity boosters sold by the Company ▪ Debt Servicing and Financing arrangements The Company has taken debt moratorium benefit offered by the government for its current loans, apart from that company is capable to meet its day to day Financial requirements. ▪ Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business: The Company is confident of fulfilling its obligations under the various existing contracts/ arrangements. The Company does not foresee any major impact on the Company's business due to the non-fulfillment of its contractual obligations by any party on account of COVID 19 pandemic, unless the production process is not interrupted completely or the sales outlets are closed due to complete lockdown
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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 31st March 2021.

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 Audit Committee are included in the report on corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of 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 in Form MGT9 is provided as **Annexure 5** and 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 also 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 has been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had 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 had prepared the annual accounts on a going concern basis;
- e. the directors, had 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 had 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 in to the complaints made by the victim on the harassments at the work place.

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 focused people 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 and Development (R&D) Center of KAL is engaged in comprehensive research on optimization of the process and new proprietary product development. In 2020-21, KAL developed two new products to enrich our shelf namely – Evakalp tablet for Women health & Thyrokalp tablet (for thyroid related problems). New analytical tool introduced for Stability studies by installing new Thermolab Stability chamber. Our collaborative activities with various institutions resulted in clinical trials for KAL-10 and Glymin atta and based on this new dosage forms like soup powders- Glymin sprinkle, Imugest sprinkle & KAL-10 sprinkle are in pipe line for launching this year.

Benefits derived as a result of R&D:

Products like Cervigest and Lumbagest are getting good market feedback which was launched in 2019. Lot of Covid packages- AYUSH KWATH and Aparajitha choornam (for smoking room) were given to our staff and for sale.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying in unpaid or unclaimed dividend 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.

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 2020-21 to BSE Limited.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company was in compliance with 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: 14th August, 2021

By Order of the Board of Directors

For **Kerala Ayurveda Limited**

Sd/-

Ramesh Vangal

Chairman (DIN- 00064018)

Annexure-1
FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART “A”:Subsidiaries

(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	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	US \$ 1US\$= 74.65	US \$ 1US\$= 74.65	US \$ 1US\$= 74.65	US \$ 1US\$= 74.65	US \$ 1US\$= 74.65	SGD 1SGD=54.95
Share capital	225.00	NIL	NIL	NIL	0.74	7.46	3.40
Reserves & surplus	347.57	(195.5)	(861.87)	(923.21)	(345.9)	(848.89)	0
Total assets	1786.65	2469.49	1545.69	0.024	991.15	0.18	9.3
Total Liabilities	1786.65	2469.49	1545.69	0.024	991.15	0.18	9.3
Investments	0	0	0	0	67.25	0	0
Turnover	287.15	1579.39	130.25	0	0	0	0
Profit before taxation	(120.41)	330.30	(76.44)	0	4.51	0	0
Provision for taxation	(26.91)	0	0	0	0	0	0
Profit after taxation	(93.49)	330.30	(76.44)	0	4.51	0	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

PART “B”: Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and
Joint Ventures-Not applicable

Name of Associates/Joint Ventures	Not applicable
Latest audited Balance Sheet Date	
Date on which the Associate or Joint Venture was associated or acquired	
Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extent of Holding(%)	
Description of how there is significant influence	
Reason why the associate/joint venture is not consolidated	
Net worth attributable to Shareholding as per latest audited Balance Sheet	
Profit / Loss for the year	
<ul style="list-style-type: none"> i. Considered in Consolidation ii. Not Considered in Consolidation 	

Mathew Joseph, B.Com, FCA, DISA

Membership No. 022658

For MAHARAJ RAJAN & MATHEW

Chartered Accountants

FRN: 001932S

By order of the Board of Directors

For Kerala Ayurveda Limited

Sd/-

Ramesh Vangal

Chairman (DIN- 00064018)

Sd/-

N. Murali Krishna, CFO and COO

Sd/-

B.R. Ashitha, Company Secretary

Date:14/08/2021

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 1:9.5
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	0%
4	The number of permanent employees on the rolls of the Company	260
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.

No employee was in receipt of remuneration of more than rupees One Crore and Two lakhs for the FY 2020-21 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 for the FY 2020-21 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 re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-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 Whole-time 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 MANAGEMENT:

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 on the basis of the annual appraisal carried 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/-

Date: 14/08/2021

**Ramesh Vangal
Chairman (DIN 00064018)**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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 31.03.2021 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 31.03.2021 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. There is no new Foreign Direct Investment during the period under review. There are no 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
 - 5. Kerala Spirituous 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:

The notice of Annual General Meeting was sent on 09.09.2020 for the meeting held on 30.09.20.

The Financial Statements were not signed by the Company Secretary in accordance with Section 134 (1) of the Companies Act, 2013 and the AoC1 was not signed by all the persons who have signed the balance sheet.

The Directors of the Company, Mr. Ramesh Vangal (DIN : 00064018), Mr. Gokul Patnaik (DIN : 00027915), and Mr. Anand Subramanian (DIN : 00064083), were the directors of "Global Nutrifood Private Limited" which has not filed its financial statements for the last three years as required under the provisions of the Companies Act, 2013 and attracted Section 164. Further, these directors have resigned from the Board of Global Nutrifood Private Limited and the said company has acknowledged their resignations with effect from 30.12.2020. As the required forms were not filed by the said company, the Directors represent that they are taking active steps to file these documents and ensure compliance.

Tata Global Beverages Limited ('TGBL') has made an application on 25.10.2019 before the Hon'ble NCLT, Kochi for recovery of Rs.5.18 crores along with interest, being advance of Rs 4.25 crores made to the company under the Joint Development Agreement dated 28.06.2013, pursuant to the MOU dated 27.12.2010, Joint Development Agreement dated 09.02.2012 and Guarantee Agreement dated 05.09.2014. The Company filed an application before the Hon'ble NCLT, Kochi. The Hon'ble NCLT, Kochi vide its order dated 10.02.2020 dismissed the application made by the Company. The Company filed an appeal before the Hon'ble NCLAT and the Hon'ble NCLAT vide its order dated 26.05.2020 dismissed the Company's appeal stating that the Hon'ble NCLT, Kochi has not passed any order either admitting or rejecting the application of TGBL. The matter is pending before the Hon'ble NCLT, Kochi.

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. The requirement of having half of the board of directors of the listed entity as independent directors was not met during the last quarter from 06.01.2021.

As per Regulation 33 (3) (a) and (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall submit quarterly and year-to-date standalone and consolidated financial results to the stock exchange within 45 days of end of each quarter, other than the last quarter. For the third Quarter ended December, 2020 the quarterly results were submitted on 15.02.2021.

As per Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed entity shall submit to the stock exchange and publish on its website a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders; Annual Report was submitted to the Stock Exchange a day later than the day of commencement of dispatch to its shareholders.

We further report that:

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.

UDIN: F003067C000786621

**For SVJS & Associates
Company Secretaries**

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

Kochi
14.08.2021

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 31st March 2021 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.

UDIN: F003067C000786621

**For SVJS & Associates
Company Secretaries**

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

Kochi
14.08.2021

V.Padmanabhan
Company Secretary

772, I Cross
Indiranagar I Stage
BANGALORE 560 038.
Ph: 25550650/25293372
Mobile: 98801 99842

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[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,
AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT LTD
Hemmandanahalli,
Samethanalli Post, Whitefield,
Bengaluru-560067

I, Padmanabhan V, Practising Company Secretary, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT. LTD. [CIN: U74140KA2003PTC031511]** (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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2021 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 31.03.2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iii) 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. There is no new Foreign Direct Investment during the period under review. There are no External Commercial Borrowings;

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;

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 during the period under review which is in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and 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.



(V. Padmanabhan)
FCS 6043 / CP 6283

UDIN: F006043C000780652

Place : Bengaluru

Date : 13.8.2021



ANNEXURE A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

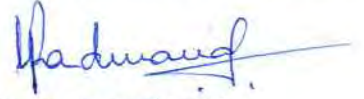
To
The Members,
AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT LTD
Hemmandanahalli,
Samethanalli Post, Whitefield,
Bengaluru-560067

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 practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc., wherever required. We relied on management representation where we were unable to verify the underlying documents.
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 31st March 2021 but before issue of the Report.



7. 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.



(V. Padmanabhan)
FCS 6043 / CP 6283

UDIN: F006043C000780652

Place : Bengaluru

Date : 13.8.2021



ANNEXURE – 5**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2021****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management & Administration) Rules, 2014****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L24233KL1992PLC006592
2.	Registration Date	6 th July 1992
3.	Name of the Company	Kerala Ayurveda Limited
4.	Category/ Sub-category of the Company	Drugs and Pharmaceuticals
5.	Address of the Registered office & contact details	VII/ 415, Nedumbassery Athani P.O, Aluva Ernakulam -6 8 3 5 8 5
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Integrated Registry Management Service P. Ltd Kences Towers, No.1 Ramakrishna Street T Nagar, Chennai-600017 Ph:044 - 28140801 - 03 Fax:044 - 28142479 Email: csdstd@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% total turnover of the company
1	Ayurvedic Medicine	21003	91.82 %
2	Health Care Services	86901	8.14 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and address of the Company	CIN/ GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	Katra Holdings Ltd, Mauritius	NA	Holding	61.52	2(46)
2	Ayurvedagram Heritage Wellness Centre Pvt Ltd	U74140KA203PTC031511	Subsidiary	74	2(87)
3	Suveda Inc. USA (formerly known as Nutraveda Inc.)	N A	Subsidiary	100	2(87)
4	Ayu Natural Medicine Clinic PS, USA	N A	Subsidiary	100	2(87)
5	Ayurveda Academy Inc., USA	N A	Subsidiary	100	2(87)

i	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
j	Any other(specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL B(1)	110	4685	4795	0.05	0	4685	4685	0.04	-0.01
2	Non-Institutions									
a	Bodies Corporate (Indian/foreign/overseas)	221347	8986	230333	2.18	45628	8986	54614	0.52	-1.66
b	Individuals (Resident/NRI/Foreign National)	0	0	0	0	0	0	0	0	0
i	Individual shareholders holding Nominal share Capital upto Rs.1 Lakh	1674527	209457	1883984	17.85	1833291	208576	2041867	19.34	1.49
ii	Individual shareholders holding Nominal share Capital above Rs.1 Lakh	1273611	656841	1930452	18.29	1794209	159199	1953408	18.51	0.22
c	Any other(specify)	12671	0	12671	0.12	7661	0	7661	0.07	-0.05
	SUB TOTAL B (2)	3182156	875284	4057440	38.44	3680789	376761	4057550	38.44	0
	Total Public Shareholding B=B(1)+B(2)	3182266	879969	4062235	38.48	3680789	381446	4062235	38.48	0
	TOTAL (A)+(B)	0	0	0	0	0	0	0	0	0
	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	9675701	879969	10555670	100.00	10174224	381446	10555670	100.00	0

ii. Shareholding of Promoter

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change
		No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Katra HoldingsLtd., Mauritius	6493435	61.52	87.93	6493435	61.52	100.00	NIL

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the Year	NO CHANGE			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the				

reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc. At the end of the year	
--	--

iv. Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders GDR's & ADR's)

Sl No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 01.04.2020)		Increase / Decrease		Cumulative Shareholding during the year (as on 31.03.2021)	
		No. of Shares	% of total shares	No. of Shares	% of total shares	No. of Shares	% of total shares
1	SHON RANDHAWA						
	PAN :AKUPR0452R						
	Opening Balance as on 31/03/2020	497642	4.714				
	Closing Balance as on 31/03/2021					497642	4.714
2	B. SASHIKANTH						
	PAN :AADPB5742M						
	Opening Balance as on 31/03/2020	152406	1.444				
	Closing Balance as on 31/03/2021					152406	1.444
3	EQUITY INTELLIGENCE INDIA PRIVATE LIMITED						
	PAN :AABCE2101N						
	Opening Balance as on 31/03/2020	140000	1.326				
	19/06/2020			-47000	-0.445	93000	0.881
	26/06/2020			-53199	-0.504	39801	0.377
	19/02/2021			-35189	-0.333	4612	0.044
	05/03/2021			-4612	-0.044	0	0.000
	Closing Balance as on 31/03/2021					0	0.000
4	RAGHAVENDRA RAJU MOHANAPU						
	PAN :ADYPM2531R						
	Opening Balance as on 31/03/2020	119510	1.132				
	Closing Balance as on 31/03/2021					119510	1.132
5	K.SWAPNA						
	PAN :AMXPK4845Q						
	Opening Balance as on 31/03/2020	102000	0.966				
	Closing Balance as on 31/03/2021					102000	0.966
6	KRISHNA KODALI						
	PAN :ADFPK4034L						
	Opening Balance as on 31/03/2020	75000	0.711				
	14/08/2020			-5000	-0.047	70000	0.663
	11/09/2020			-10000	-0.095	60000	0.568
	18/09/2020			-14008	-0.133	45992	0.436
	25/09/2020			-15992	-0.152	30000	0.284
	02/10/2020			-5000	-0.047	25000	0.237
	09/10/2020			-10000	-0.095	15000	0.142

	23/10/2020			-4517	-0.043	10483	0.099
	06/11/2020			-10483	-0.099	0	0.000
	Closing Balance as on 31/03/2021					0	0.000
7	SAKUNTALAMMA MOHANAPU						
	PAN :BHQPS9086J						
	Opening Balance as on 31/03/2020	56528	0.536				
	12/02/2021			-6551	-0.062	49977	0.473
	19/02/2021			-6000	-0.057	43977	0.417
	Closing Balance as on 31/03/2021					43977	0.417
8	SAILESH VIKRAMSINH THAKKER						
	PAN :AAAPT3100G						
	Opening Balance as on 31/03/2020	50100	0.475				
	10/04/2020			-100	-0.001	50000	0.474
	12/06/2020			-4000	-0.038	46000	0.436
	19/06/2020			-3000	-0.028	43000	0.407
	26/06/2020			-3000	-0.028	40000	0.379
	10/07/2020			-8500	-0.081	31500	0.298
	30/10/2020			500	0.005	32000	0.303
	20/11/2020			500	0.005	32500	0.308
	25/12/2020			300	0.003	32800	0.311
	Closing Balance as on 31/03/2021					32800	0.311
9	LEELA ANN LINDNER						
	PAN :						
	Opening Balance as on 31/03/2020	42995	0.407				
	Closing Balance as on 31/03/2021					42995	0.407
10	SITA KARA LINDNER						
	PAN:						
	Opening Balance as on 31/03/2020	41502	0.393				
	Closing Balance as on 31/03/2021					41502	0.393

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No	For each of the Director and Key Managerial Personnel	Opening Balance	% of shares held	Difference if any	% of difference	Closing Balance	Closing %	Reasons for differences
1	Dr. Kunjupanicker Anilkumar PAN: AGFPK6227J							
	Opening Balance as on 01/04/2020	200129	1.896					
	03/04/2020			-110	-0.001			
	26/03/2021			110	0.001			
	Closing Balance as on					200129	1.896	NA

	31/03/2021							
2	Mr.Gokul Patnaik PAN: AGFPK6227J							
	Opening Balance as on 01/04/2020	65	0					
	Closing Balance as on 31/03/2021					65	0	NA

vi. Indebtedness – Indebtedness of the Company including interest outstanding/accrued but not due for payment Amount in Lakhs

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	4,054.12	1,623.45	-	5,677.57
ii) Interest due but not paid	56.57	-	-	56.57
iii) Interest accrued but not due	44.38	0.60	-	44.98
Total (i+ii+iii)	4,155.07	1,624.05	-	5,779.12
Change in indebtedness during the financial year	-	-	-	-
* Addition	4,102.11	2,198.10		6,300.20
* Reduction	(4,102.57)	(1,374.62)		(5,477.19)
Net Change	(0.46)	823.47	-	823.01
Indebtedness at the end of the financial year			-	
i) Principal Amount	4,150.80	2,446.29		6,597.09
ii) Interest due but not paid	3.81	1.20		5.01
iii) Interest accrued but not due	-	0.04		0.04
Total (i+ii+iii)	4,154.61	2,447.52	-	6,602.14

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole – Time Directors and/or Manager:

Sr No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Dr Kunjupanicker Anilkumar	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,11,154/-	22,11,154/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary/section 17(3) Income- tax Act,	Nil	Nil

2	Stock Option / Sweat Equity	Nil	Nil
3	Commission - as % of profit / others,	Nil	Nil
4	Others, please specify	Nil	Nil
	Total (A)	22,11,154/-	22,11,154/-
	Ceiling as per the Act	Within Limit*	Within Limit*

* Ceiling as per Schedule V of the companies Act 2013 is up to 60 Lakhs per Annum

B. Remuneration to other directors.

Sr No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. S Krishnamurthy	Mr. Kshiti Ranjan Das	Ms. Shailaja Chandra	Harish K Menon	
1	Independent Directors					
	Fee for attending board/ committee meetings	2,05,000	1,50,000	50,000	1,60,000	5,65,000
	Commission / others, please specify					
	Total (1)	2,05,000	1,50,000	50,000	1,60,000	5,65,000
2	Other Non-Executive Directors					
	Fee for board committee meetings					
	Commission / Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	2,05,000	1,50,000	50,000	1,60,000	5,65,000
	Overall Ceiling as per the Act	Within Limit	Within Limit	Within Limit	Within Limit	

Ceiling is maximum Rs.1,00,000 per meeting which can be paid to independent Directors as sitting fee.

C. Remuneration to Key Managerial Personnel Other than MD /Manager/ WTD

Sr No	Particulars of Remuneration	Key Managerial Personnel			
		CS	CFO*	CFO and COO	Total
1	Gross salary in `	B.R. Ashitha	Arvind Agarwal	N. Murali Krishna	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,93,647	30,08,156	19,29,192	52,30,995
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0

3.	Sweat Equity	0	0	0	0
4	Commission / - as % of profit	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	2,93,647	30,08,156	19,29,192	52,30,995

***The amount to paid to Mr. Arvind Agarwal, Ex-CFO is the settlement of the pending dues**

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding offences under the Companies Act for the year ending 31st March 2021.

Date: 14/08/2021

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

**Sd/-
RAMESH VANGAL
Chairman (DIN-00064018)**

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 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 th 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 th September, 2020
9.	Total Value of Transaction during the year	Rs. 50.96 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 Pvt Ltd- Director's Relative	Purchase of Raw Material and Job Work	Need Based	18.83	15 th February 2020	Nil
6.	Ayurvedic Academy Inc, USA- Subsidiary	Sale of Services	Need Based	19.75	15 th February 2020	Nil

8.	CARE Keralam Pvt Ltd-Shareholding and common Director	Purchase of Raw Materials	Need Based	1.52	15 th February 2020	Nil
9.	Katra Holding Pvt Ltd-Common Director	Loan	Need Based	747.27	15 th February 2020	Nil
10.	Katra Phytochem India Pvt Ltd-Common Director	Advances	Need Based	14.05	15 th February 2020	Nil
11.	SR Pharmaceuticals-Subsidiary of Katra Phytochem	Advances/Job Work Charges	Need Based	116.01	15 th February 2020	Nil
12.	Mason & Summers Leisure Pvt Ltd-Common Director	Purchase of Travel Services	Need Based	2.90	15 th February 2020	Nil
13.	Suveda Inc (Nutraveda Inc), USA	Sale & Services	Need Based	100.27	15 th February 2020	Nil

Date: 14/08/2021

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

Sd/-

**Ramesh Vabgal,
Chairman (DIN: 00064018)**

Sd/-

N. Murali Krishna, CFO and COO

Sd/-

B.R. Ashitha, Company Secretary

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 31.03.2021

A. CONSERVATION OF ENERGY:

1	The Steps taken or Impact on conservation of energy	<p>1. Old age machinery has replaced in order to improve the productivity with reduced operational hours. There by reduced the core and winding losses with the old motors</p> <p>2. Replaced the damaged fluorescent and incandescent lights with LED lights, and restored the electromagnet ballast with electronic ballast in tube lights</p> <p>3. Capacitor banks have been enhanced to maintain the power factor and to avoid the energy losses</p> <p>4. Direct load motors have been changed with DOL (Direct On-Line) starter to reduce the initial power losses</p>
2	The Steps taken By the Company for utilizing alternate source of energy	<p>1. Greenhouse dryer installing at RDD for the effective utilization of solar energy for the Raw material drying</p> <p>2. Fuel free Incinerator with energy recovery system installation is in plan for the effective disposal of solid waste and the heat recovery from the exhaust gases for the steam dryer operation/Hot water generation</p> <p>3. Proposal preparing for Rooftop</p>

		solar photovoltaic power plant of Capacity 40kw to reduce about 25% of our electricity bills
3	The Capital Investment on energy conservation equipments	28 Lacs have been spent on to complete the above projects coming under Conservation of energy. Evaluating 38 Lacs for the implementation of Projects which utilizing alternate source of energy

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1	The efforts made towards technology absorption	All the developments were done indigenously
2	The benefits derived like product improvement, cost reduction, product development or import substitution	During the year under review your Company has added 2 new products to the product basket. Also got license for 2 new tablets for dysmenorrhea & Thyroid dysfunctions.
3	Details of imported technology	During the year, company has not imported any technology.
4	The expenditure incurred on research and development	
a	Capital	4.05 Lakhs
b	Deferred Revenue Expenditure	0
c	Revenue Expenditure	7.50 Lakhs
d	Total	11.55 Lakhs
e	Total Research and Development expenditure as a % of turnover	0.27%

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

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

1	Foreign Exchange Earnings	95.60 Lakhs
2	Foreign Exchange Outgo	NIL

Date: 14/08/2021

**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 31st March, 2021.

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 a 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 2021, the Board of the Company comprised of Seven directors, of whom three were non-executive non independent directors, three were non-executive independent directors and one was executive director. The Board has no institutional nominee directors. The Company shall appoint another Independent Director on Board in order to be in compliance with the Listing Regulations

More particulars about the directors are mentioned in the 'Directors' Report'.

NUMBER OF MEETINGS OF THE BOARD

During FY 2020-21, the Board of Directors met four times on 30th June, 2020; 14th August, 2020; 12th November, 2020 and 15th February, 2021. 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 2020-21

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
Mr. Kshiti Ranjan Das	Non-executive, Independent	3	3	Yes
Mrs. Shailaja Chandra	Non-executive, Independent	3	2	No
Ms. Shilpa Kiran Gududur	Non Executive , Independent	0	0	No
Mr. Harish Kuttan Menon	Non Executive , Independent	4	4	Yes

Mrs. Shailaja Chandra, Non-Executive and Independent Director resigned the Company with effect from 6th January, 2021 and Mr. Kshiti Ranjan Das Non-Executive and Independent Director resigned the Company with effect from 3rd February, 2021 due to their pre occupations and no other material reasons

Ms. Shilpa Kiran Gududur was appointed as an additional Independent Director on 15th February 2021. She is a Fellow Member of the Institute of Company Secretaries of India and has over 18 years of work experience in various industries. She is presently practicing since August, 2011 as a Company Secretary and is a regular speaker at various institutions. 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 is a commerce graduate from University of Mumbai, an LLB Graduate from Bangalore University and Masters in Business Law from the prestigious National Law School, Bangalore and she has also excelled academically being a college topper in all three years of her Graduation in Mumbai and 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.

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, Practising 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 2020-21, 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 2020-21. 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 December 5th 2020, 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 31st March 2021 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	13	NA	NA	NA	NA
2.	Mr. Gokul Patnaik	11	LT Foods Limited	Independent Director	1	1
3.	Dr. Kunjupanicker Anilkumar	2	NA	NA	1	0
4	Mr. Subramaniam Krishnamurthy	4	NA	NA	2	1
5.	Mr. Anand Subramanian	17	NA	NA	1	1
6.	Mr. Harish Kuttan Menon	2	NA	NA	1	0
7.	Ms. Shilpa Kiran Gududur	1	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.

Review of legal compliance reports

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 March 2021. A declaration to this effect signed by the Wholetime 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 15th February 2021 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 15th February 2021 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 **Annexure3** 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 program's attended by Independent Directors (During the year and on cumulative basis till date)	One program on 5 th December, 2020	6th November 2015 16th November 2016 27th September 2017 15th November 2018 13 th February, 2020
Number of hours spent by Independent Directors in such program's (during the year and on cumulative basis till date)	2 hours	20 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 is yet to undergo the Independent Directors Proficiency test as per the requirements

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 2020-2021, 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:

Table 3: Core skills/expertise/competencies:

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

SUBSIDIARY COMPANIES

During the FY 2020-21 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 material subsidiary within the meaning of the Listing Regulations. During FY 2019-20, 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 2020-21 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. The details of which are mentioned in AOC-2 which forms a part of the Annual Report. There were no materially related party transaction entered during the year. All related party transactions during FY 2020-21 were entered with the approval of the Audit Committee pursuant to provisions of 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.

During the FY 2020-21, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at a large. 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, 2021. Two-Third of the Members of this committee are independent directors and Chairman is an Independent Director. All members of audit committee shall be 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 the FY 2020-21, 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 30th September, 2020 to answer member's queries

Table 4: Composition of the Audit Committee and attendance record of the members for FY 2020-21

Name of the director	Category	No. of Meeting entitled to attend	No. of meetings attended (out of 4)
Mr. Kshiti Ranjan Das	Non-executive, Independent	3	3
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 the FY 2020-21, the Committee met three times.

Table 5: Composition of the Nomination and Remuneration Committee and attendance record of the members for FY 2020-21

Name of the director	Category	No. of meeting entitled to attend	No. of meetings attended (out of 3)
Mr. Subramaniam Krishnamurthy	Chairman, non-executive, independent	3	3
Mr. Ramesh Vangal	Non-executive	3	3
Mr. Kshiti Ranjan Das	Non-executive, independent	2	2
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 the FY 2020-21, the Committee met two times.

Name of the director	Category	No. of meetings attended (out of 3)
Mr. Anand Subramanian	Chairman, non-executive	2
Dr. Kunjupanicker Anilkumar	Wholetime Director (Executive)	2
Mr. Subramaniam Krishnamurthy	Non-executive, independent	2

Mr. Anand Subramanian, Chairman of the Committee was present at the AGM of the Company held on 30th September, 2020 to answer the queries of the members.

No. of shareholder's complaints received during the Financial Year 2020-21	NIL
Number of complaints solved to the satisfaction of the shareholder	NA
Number of pending complaints as on 31st March, 2021	NA

Ms. Surbhi Sharma was appointed as the Company and Compliance Officer with effect from 29th May, 2019. She resigned from the post of Company Secretary with effect from 15th November, 2019

Further, Ms. B.R. Ashitha, a member of Institute of Company Secretaries India was appointed as the Company Secretary with effect from 30th June, 2020

Compliance Officer: B.R. Ashitha, 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 5th December, 2020 and:

- noted the report on performance evaluation for the year 2020-21 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, taking into account 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 the 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 2020-21 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 annexure to the Director's Report in Form MGT-9 i.e. extract of the Annual Return (**Annexure 5**). No commission is paid to the non-executive directors.

During the Financial Year 2020-21, the Company has paid remuneration to Dr. Kunjupanicker Anilkumar, Wholetime Director of the Company as provided in the annexure to the Director's Report in Form MGT-9 as (**Annexure 5**). 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 2020-21 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 2020-21 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. The Company also has a Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The code was amended so as 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 on the following dates and time:

2018	15th November,2018	At 3.15 P.M.
2019	24th September, 2019	At 4.30 P.M.
2020	30th September, 2020	At 11.00A.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 15th November, 2018 special resolution was passed for Reappointment and remuneration of Dr. Kunjupanicker Anilkumar.

At the AGM held on 24th September, 2019 special resolutions were passed for the appointment of Mrs. Shailaja Chandra, Mr. Subramanian Krishnamurthy, and Mr. Gokul Patnaik as Directors of the Company

At the AGM held on 30th September, 2020 special resolution was 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

ii. Special resolutions passed through postal ballot during the FY 2020-21

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 has complied with all the applicable legal requirements and no 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 ATWORKPLACE (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 2020-21	NIL
Number of complaints disposed of during FY 2020-21	NIL
Number of complaints pending as on end of FY 2020-21	NIL

COMPLIANCE CERTIFICATE

The Wholetime Director and CFO 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 2020-2021. A section on ‘Management Discussion and Analysis’ for FY 2020-21 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 2020-21 (In Lakhs)
Audit Fees	2,00,000
Tax Audit Fees	50,000
Reimbursement of expenses	67,950
Total	3,17,950

COMPLIANCE OF MANDATORY REQUIREMENTS UNDER THE LISTING REGULATIONS

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

GENERAL SHAREHOLDER INFORMATION

29th Annual General Meeting

Date	30 th September, 2021
Time	11.00 a.m

Financial calendar for FY 2021-22

Unaudited first quarter financial results	Before 15 th August, 2021
Unaudited second quarter financial results	Before 15 th November, 2021
Unaudited third quarter financial results	Before 15 th February, 2022
Annual Accounts for FY 2021-22	During April/May 2022
Annual General Meeting for the year ending 31st March, 2022	During September 2022

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. 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

Date of book closure

The register of members and share transfer books of the Company will remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive).

Dividend

The Directors do not recommend payment of dividend for the Financial -Year 2019-20.

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 has to 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 demit 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, 2021, 96.38% of the Company's total shares representing 101,74,224 shares are held in dematerialised form and 3.61% representing 3,81,446 shares are in physical form.

Category	Number	% of Total Equity
Demat Mode		
NSDL	89,00,610	84.32
CDSL	12,73,614	12.07
Physical Mode	3,81,446	3.61
Grand Total	1,05,55,670	100.00

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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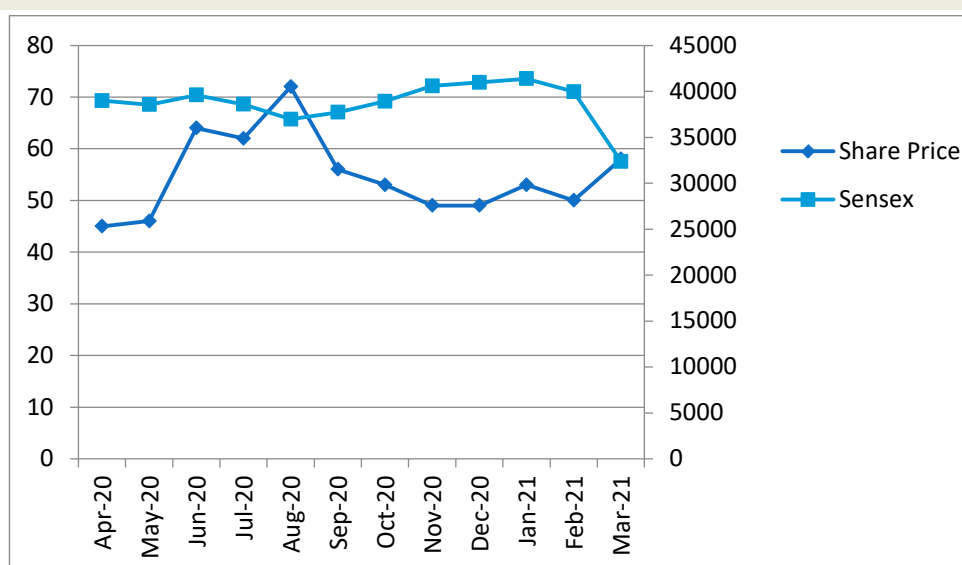
Annual listing fees, as prescribed, have been paid to the said stock exchanges upto 31st March 2021

Market Price Data: High and low during each month in the financial year 2020-21

Month	High	Low	Average	Month	High	Low	Average
Apr-20	55.95	34.05	45.00	Oct-20	57.00	48.00	52.50
May-20	49.90	42.00	45.95	Nov-20	53.45	44.00	48.72
Jun-20	82.00	46.35	64.17	Dec-20	52.00	45.00	48.50
Jul-20	70.00	53.00	61.50	Jan-20	57.95	47.50	52.72
Aug-20	82.70	61.70	72.20	Feb-20	53.90	46.50	50.20
Sep-20	64.35	48.35	56.35	Mar-20	68.50	47.05	57.77

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 2021



Based on the monthly average of high and low prices of KAL and BSE Index

Distribution of shareholding

Sl.no	Nominal value of shares		No. of holders	% of Total holders	Total Face Value of Shares	% to total face value
	From	To				
1	Upto 5000		7928	90.66	761076	7.21
2	5001	10000	397	4.54	314077	2.98
3	10001	20000	210	2.40	318306	3.02
4	20001	30000	67	0.77	171953	1.63
5	30001	40000	32	0.37	115455	1.09
6	40001	50000	27	0.31	123948	1.17
7	50001	100000	41	0.47	293989	2.79
8	Above 100001		43	0.49	8456866	80.12
	Total		8745	100.00	10555670	100.00

Shareholders Profile as on 31st March, 2021

Sl.no	Category	Holders	Holders %	No. of Shares	Shares %
1.	Bank's / Financial Institutions	1	0.0114	1709	0.0162
2.	Bodies Corporate	68	0.7776	54614	0.5174
3.	Clearing Member	28	0.3202	7192	0.0681

4.	Directors & Relatives	4	0.0457	200194	1.8966
5.	Foreign Institutional Investors	1	0.0114	25737	0.2438
6.	HUF	66	0.7547	22446	0.2126
7.	Limited Liability Partnership	1	0.0114	469	0.0044
8.	Mutual Fund	1	0.0114	2976	0.0282
9.	N R I	139	1.5894	888957	8.4216
10.	Promoters	1	0.0114	6493435	61.5161
11.	Resident Indian	8435	96.455	2857941	27.075
Total		8745	100.00	10555670	100.00

Global Depository Receipts , 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 are no 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, Off
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: companysecretary@keralaayurveda.biz	
investor@keralaayurveda.biz	

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: 14/08/2021

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, 2021

For Kerala Ayurveda Ltd.

Sd/-

Place: Bengaluru

Dr. Kunjupanicker Anilkumar

Date : 14/08/2021

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 **31st March, 2021** 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, 2021 *except as under:*

The Directors of the Company, Mr. Ramesh Vangal (DIN : 00064018), Mr. Gokul Patnaik (DIN : 00027915), and Mr. Anand Subramanian (DIN : 00064083), were the directors of "Global Nutrifood Private Limited" which has not filed its financial statements for the last three years as required under the provisions of the Companies Act, 2013 and attracted Section 164. Further, these directors have resigned from the Board of Global Nutrifood Private Limited and the said company has acknowledged their resignations with effect from 30.12.2020. As the required forms were not filed by the said company, the Directors represent that they are taking active steps to file these documents and ensure compliance.

Tata Global Beverages Limited ('TGBL') has made an application on 25.10.2019 before the Hon'ble NCLT, Kochi for recovery of Rs.5.18 crores along with interest, being advance of Rs 4.25 crores made to the company under the Joint Development Agreement dated 28.06.2013, pursuant to the MOU dated 27.12.2010, Joint Development Agreement dated 09.02.2012 and Guarantee Agreement dated 05.09.2014. The Company filed an application before the Hon'ble NCLT, Kochi. The Hon'ble NCLT, Kochi vide its order dated 10.02.2020 dismissed the application made by the Company. The Company filed an appeal before the Hon'ble NCLAT and the Hon'ble NCLAT vide its order dated 26.05.2020 dismissed the Company's appeal stating that the Hon'ble NCLT, Kochi has not passed any order either admitting or rejecting the application of TGBL. The matter is pending before the Hon'ble NCLT, Kochi.

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. The requirement of having half of the board of directors of the listed entity as independent directors was not met during the last quarter from 06.01.2021.

As per Regulation 33 (3) (a) and (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall submit quarterly and year-to-date standalone and consolidated financial results to the stock exchange within 45 days of end of each quarter, other than the last quarter. For the third Quarter ended December, 2020 the quarterly results were submitted on 15.02.2021.

As per Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed entity shall submit to the stock exchange and publish on its website a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders; Annual Report was submitted to the Stock Exchange a day later than the day of commencement of dispatch to its shareholders.

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.

Kochi

14.08.2021

UDIN: F003067C000786597

For SVJS & Associates

Company Secretaries

CS Vincent P.D.

Managing Partner

CP No.: 7940, FCS: 3067

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 2020-21 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, 2021 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

Sd/-

Dr. Kunjupanicker Anilkumar
Wholetime Director(DIN: 00226353)

Date: 14th August, 2021

Sd/-

Mr. N . Murali Krishna
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, Nedumbaserry, 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, Nedumbaserry, 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) 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 except for three directors who are disqualified as noted below*#, none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2021** 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. Shailaja Chandra*	03320688	24.09.2019
8.	Mr. Kshiti Ranjan Das*	07212449	06.11.2015

9.	Ms. Shilpa Kiran Gududur	09067581	15.02.2021
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*Ms. Shailaja Chandra (DIN: 03320688) ceased on 06.01.2021 and Mr. Kshiti Ranjan Das (DIN: 07212449) ceased on 03.02.2021.

#The Directors of the Company, Mr. Ramesh Vangal (DIN : 00064018), Mr. Gokul Patnaik (DIN : 00027915), and Mr. Anand Subramanian (DIN : 00064083), were the directors of "Global Nutrifood Private Limited" which has not filed its financial statements for the last three years as required under the provisions of the Companies Act, 2013 and attracted Section 164. Further, these directors have resigned from the Board of Global Nutrifood Private Limited and the said company has acknowledged their resignations with effect from 30.12.2020. As the required forms were not filed by the said company, the Directors represent that they are taking active steps to file these documents and ensure compliance.

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.

UDIN: F003067C000786619

For SVJS & Associates
Company Secretaries

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

Kochi
14.08.2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. ECONOMIC OVERVIEW

The fiscal year 2020 was headlined by COVID-19. Periodic lockdowns, limited travel and curtailed economic activities led to a slump of 3.5%, according to the International Monetary Fund (IMF). However, policy response, economic stimulus measures, relief packages, and roll-out of COVID-19 vaccinations have led to a gradual economic recovery, and a revised global growth at 6% in 2021, moderating to an anticipated 4.4% in 2022

Hit hard by the pandemic, the Indian economy has contracted by 8% in the financial year 2020-21. COVID related lockdowns stressed many companies' production, exacerbated by supply chain disruptions and migration of labour

Food, pharma and chemicals were the first sectors to witness a recovery. Some measure of overall economic normalcy was attained in the September-December quarter. However, the resurgence of COVID-19, towards the end of FY2021, bodes uncertainty for the future.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

Ayurvedic products are increasing in popularity. Many Indians are turning to Ayurveda and other alternative medicine systems and treatments, such as unani, siddha, naturopathy, and homoeopathy. The industry is anticipated to almost triple in size in the coming years. By 2022, the market will reach US\$ 9.7 billion in size.

Kerala Ayurveda Limited has a long heritage of over 74 years and pioneer in bringing efficacious Proprietary Range of Ayurveda products and first to setup treatment center's outside Kerala. It is a full spectrum Ayurveda company which manufactures Ayurveda Medicines both Classical and Proprietary, operates treatment centers, Hospital and Ayurveda Resorts all over India, has Ayurveda Academy in India & US and does Ayurveda Research. KAL is Powered by various Pioneering Entities like Katra Phytochem (India) Private, Renovel Discoveries, USA and Asthagiri Herbal Research Foundation, India, that ensure that all batches of its Products meet the Highest Standards of Safety, Purity and Efficacy. KAL is the first Public Limited Company in Ayurvedic domain, Kerala Ayurveda Limited is truly on a mission to be the number one choice in Ayurveda Globally.

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

While the government is on a major drive to Promote Yoga and Ayurveda Globally as Key Wellness Initiative, inadequate scientific scrutiny and concerns regarding standards and quality is of major concern. This has prompted the Department of Ayush to enforce a stricter regime under 'National Ayush Mission'. The National Rural Health Mission has a declared policy of promoting 'Pluralistic Healthcare' by involving, alongside the allopathic system, the AYUSH systems, including local health traditions in its operational mission. Insurance companies have started accepting Ayurveda Treatments under insurance claims.

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.4320.28 Lakhs in 2020-21 as compared to previous year's sales of Rs. 5368.47 Lakhs.

The company has optimized cost structures aggressively. We have re-engineered our cost structures in quick time. India Overall costs reduced by 28% vs 19-20. The Health service division costs reduced by 54% vs 19-20. Despite a reduction of overall business by 26%, the Costs as % Revenue have come down by about 2+%, from 63% 19-20 to 61% 20-21. We have also optimized our inventory, improved customer collections, creditor payables to manage cash flow.

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 & organisational preparedness for future challenges.

The manpower strength of the Company as on 31st March 2021 was 463 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 dropped by 664.56%, similarly interest coverage ratio by 104.38%, operating profit by 126.93%, net profit margin by 800.8% and Debt equity ratio increased by 65% due to prevailing pandemic.

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

Return on Net Worth has dropped to -49.3% compared previous financial year +5.98% due to the prevailing pandemic.

Date: 14/08/2021

By Order of the Board of Directors

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, 2021, 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, 2021 and its Loss (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, 2021. 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	How the Key Audit Matter was addressed in our audit
Refer to note 2.f 'Inventories' to the standalone financial statements. The total value of inventory as of March 31, 2021 amounted to ₹ 950 lakhs representing 9.87% of the total assets (2020: ₹ 1,146 Lakhs, 12.25% of the total assets). Inventories are measured at the lower of cost and net realisable value on FIFO basis. The valuation of inventory is dependent on establishing appropriate valuation controls. We focused on this area as Management judgment is applied to estimate the appropriate write-down for obsolete inventories and the indirect production costs manually capitalised as inventory. These judgments are key elements in the valuation of inventories.	We have performed the following principal audit procedures in relation to Inventory valuation: •We tested relevant internal controls that the Company uses to ensure proper valuation of inventory, including the procedures for write-down of obsolete inventory and the indirect production costs manually capitalised as inventory. •We tested the adequacy of write-downs for excess and/or obsolete inventory by verifying future demand data, historical usage, historical accuracy of write-downs and management's plans to utilise the inventory. •We evaluated the significant judgments and estimates made by Management in applying Company's accounting policy in relation to indirect production costs. •We assessed the Company's disclosures in the financial statements in respect of inventory.

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 or loss (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, 2016 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, 2021 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, 2021 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.

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

Ernakulam
30/06/2021

Mathew Joseph Bcom ,FCA,DISA(ICA)
(Partner)
Membership Number 022658

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 31st March 2021 ,We report that .

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of property, plant and equipment, capital work-in-progress and other intangible assets.
- ii. (b) The company has a program of verification to cover all the items of fixed assets comprising of property, plant and equipment, capital work-in-progress and other intangible assets 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.
- iii. 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
- iv. 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, in respect of which
 - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the company's interest.
 - b) The Schedule of Repayment has been stipulated for the loans granted and repayments are regular.
 - c) There are no overdue amount remaining outstanding as at the year-end
- v. 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.
- vi. 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.
- vii. 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.
- viii. 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, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- ix. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Banks, Financial Institutions, Government or debenture holders. The Company did not have any outstanding debentures during the year .
- x. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- xi. 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..
- xii. According to the information and explanations given to us and based on our examination of the records of the Company, The Company has paid/provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- xiii. The Company is not a Nidhi Company. Therefore the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiv. 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.
- 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- xvi. 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 (xv) of the Order is not applicable.
- xvii. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

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

Ernakulam
30/06/2021

Mathew Joseph Bcom ,FCA,DISA(ICA)
(Partner)
Membership Number 022658

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, 2021, 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, 2021, 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

Sd/-
Mathew Joseph Bcom ,FCA,DISA(ICA)
(Partner)
Membership Number 022658

Ernakulam
30/06/2021

Kerala Ayurveda Limited Balance Sheet as at 31.03.2021			
Particulars	Note No.	As at 31.03.2021 Amount in Rs	As at 31.03.2020 Amount in Rs
A ASSETS			
Non-Current assets			
a) Property, Plant & Equipment	4	16,68,86,754	16,94,47,783
b) Capital work in progress		11,98,05,682	11,54,86,793
c) Other Intangible Assets		10,81,967	14,95,752
d) Financial Assets			
(i) Investments	5	11,36,58,320	11,46,58,320
(ii) Loans	6	21,74,42,605	20,32,17,321
(iii) Other Financial assets	7	4,18,58,381	4,14,71,906
e) Deferred Tax Asset		71,71,646	-
f) Income Tax assets(net)	8	1,63,77,865	1,64,44,464
Total Non current Assets		68,42,83,221	66,22,22,339
Current Assets			
a) Inventories	9	9,49,78,030	11,46,34,610
b) Financial assets			
(i) Trade Receivables	10	9,77,31,641	9,07,05,562
(ii) Cash and Cash equivalents	11	1,07,23,511	1,90,28,486
c) Other current assets	12	7,45,62,963	4,94,16,557
Total Current Assets		27,79,96,146	27,37,85,215
TOTAL ASSETS		96,22,79,366	93,60,07,554
B EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	10,55,56,700	10,55,56,700
b) Other Equity	14	(51,44,860)	4,11,39,368
Total Equity		10,04,11,840	14,66,96,068
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	15	55,43,20,983	47,15,62,232
b) Provisions	16	3,95,62,751	4,01,87,568
c) Other non current Liabilities	17	4,58,90,000	4,56,40,000
d) Deferred Tax Liability (Net)		-	90,83,536
Total Non Current Liabilities		63,97,73,734	56,64,73,336
Current liabilities			
a) Financial Liabilities			
(i) Borrowings	18	10,58,92,781	10,63,50,046
(ii) Trade payables	19	5,02,47,918	5,62,14,390
b) Other current liabilities	20	5,82,76,352	5,08,74,052
c) Provisions	21	76,76,742	93,99,662
Total Current Liabilities		22,20,93,793	22,28,38,150
Total Liabilities		86,18,67,526	78,93,11,486
Total Equity and Liabilities		96,22,79,366	93,60,07,554
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 001932S Mathew Joseph , B Com, FCA Partner MEM NO 022658 Place : Bengaluru Date : 30th June 2021		For and on behalf of the Board of Directors KERALA AYURVEDA LIMITED, Sd/- Ramesh Vangal Chairman (DIN:00064018) Sd/- N Murali Krishna Chief Financial Officer	
		Sd/- Ashitha B R Company Secretary	

Kerala Ayurveda Limited				
Profit and Loss statement for the period ended 31st Mar' 2021				
	Particulars	Note No.	For the period ended 31.03.2021	For the period ended 31.03.2020
			Amount in Rs.	Amount in Rs.
1	Revenue from operations	22	43,20,28,252	53,68,47,442
2	Other income	23	17,15,253	15,63,787
3	Total Income		43,37,43,505	53,84,11,229
4	Expenses			
	(a) Cost of Materials consumed	24	12,33,20,322	13,53,74,639
	(b) Purchases of Medicines (Stock In Trade)	25	59,23,374	43,83,696
	(c) Changes in Inventories of FG, WIP & Stock In Trade	26	1,64,74,879	(35,91,992)
	(d) Employee benefits expense	27	13,06,43,356	16,02,91,601
	(e) Finance costs	28	6,04,74,639	1,22,04,453
	(f) Depreciation	29	81,51,353	67,88,353
	(g) Other expenses	30	15,45,15,937	21,08,03,393
	Total Expenses		49,95,03,860	52,62,54,145
	Profit Before Extraordinary items and Tax (3 - 4)		(6,57,60,354)	1,21,57,084
	Add: Exceptional Items			
5	Profit / (Loss) Before Extraordinary items and Tax		(6,57,60,354)	1,21,57,084
6	Add: Extraordinary Items		-	
7	Profit Before Tax (5 - 6)		(6,57,60,354)	1,21,57,084
8	Tax expense:			
	(a) Current tax		-	20,29,260
	(b) Deferred tax		1,62,55,182	33,88,330
	(c) (Less): MAT credit (where applicable)		-	(20,29,260)
			1,62,55,182	33,88,330
9	Profit for the period		(4,95,05,172)	87,68,754
10	Other comprehensive income			
	Items that will not be reclassified to Profit or Loss		32,20,945	30,10,132
	Total Income for the year, net of Taxes		(4,62,84,228)	1,17,78,886
11	Earnings Per Equity Share			
	Basic & diluted [Nominal value of shares Rs. 10/- each]		(4.38)	1.12
	Significant Accounting Policies See accompanying notes 1 to 36 forming part of the financial statements.	1		

In terms of our report attached.

For Maharaj Rajan & Mathew
Chartered Accountants
FIRM REGN NO 001932S

Mathew Joseph , B Com, FCA
Partner
MEM NO 022658
Place : Bengaluru
Date : 30th June 2021

For and on behalf of the Board of Directors
KERALA AYURVEDA LIMITED,

Sd/-
Ramesh Vangal
Chairman (DIN:00064018)

Sd/- Sd/-
N Murali Krishna Ashitha B R
Chief Financial Officer Company Secretary

Kerala Ayurveda Limited		
Cash Flow Statement for the year ended 31st March, 2021		
Particulars	For the year Ended 31st March, 2021	For the year Ended 31st March, 2020
	Amount in Rs	Amount in Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and Interest	(52,85,715)	2,43,61,538
Adjustment to reconcile Profit Before Tax to Net Cash Flows		
Interest Received	(17,15,253)	(15,63,787)
Finance Cost(Fair value change in Financial Instruments)	(1,10,04,340)	(1,02,84,459)
Finance Income (Fair value change in Financial Instruments)	1,42,25,285	1,32,94,591
Depreciation and Amortisation	81,51,353	67,88,353
Operating profit before working capital changes	43,71,329	3,25,96,235
Adjustments for:		
Trade receivables	(70,26,079)	(25,20,296)
Inventories	1,96,56,580	(71,37,950)
Other Current Assets	(2,51,46,407)	2,09,29,923
Other Financial Assets	(3,86,475)	(2,88,34,697)
Income tax Assets	66,599	(21,16,762)
Trade Payables	(59,66,472)	1,84,88,898
Current Financial liabilities- Provisions	(17,22,920)	4,58,141
Other Current Liabilities	74,02,300	1,20,27,111
Non- Current Financial liabilities- Provisions	(6,24,817)	30,63,742
Other non current liabilities	2,50,000	1,25,000
Cash generated from operations	(1,34,97,691)	1,44,83,108
Direct taxes paid	-	-
Net cash from operating activities A	(91,26,362)	4,70,79,344
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets(including Capital Work in progress)	(94,95,429)	(2,76,06,396)
Investments	10,00,000	
Loans to Subsidiaries	(1,42,25,285)	(1,32,94,591)
Interest Received	17,15,253	15,63,787
Net cash used in Investing activities B	(2,10,05,460)	(3,93,37,199)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of long term loan	8,27,58,751	2,08,05,094
Repayment of long term loan		
Net Increase/(Decrease) in Working Capital Borrowings	(4,57,265)	(57,20,453)
Finance Cost	(6,04,74,639)	(1,22,04,453)
Net cash from financing activities C	2,18,26,846	28,80,187
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(83,04,976)	1,06,22,332
Cash & Cash Equivalents at Beginning of year	1,90,28,486	84,06,154
Cash & Cash Equivalents at End of year	1,07,23,511	1,90,28,486
Net Increase/(Decrease) in Cash & Cash Equivalents	(83,04,976)	1,06,22,332
In terms of our report attached.		
For Maharaj Rajan & Mathew Chartered Accountants FIRM REGN NO 001932S	For and on behalf of the Board of Directors KERALA AYURVEDA LIMITED,	
Mathew Joseph , B Com, FCA Partner MEM NO 022658	Sd/- Ramesh Vangal Chairman (DIN:00064018)	
Place : Bangalore	Sd/- N Murali Krishna Chief Financial Officer	Sd/- Ashitha B R Company Secretary
Date : 30th June , 2021		

Kerala Ayurveda Limited
Statement of Changes in Equity

A Equity Share Capital

Particulars	Note	Amount in Rs
Balance as at 1st April 2020	13	1,05,55,670
Changes in equity share capital during the year		-
Balance as at 31st March 2021		1,05,55,670

B Other Equity

Note 14

Particulars	Reserves and Surplus				
	Capital reserve	Share premium	General reserve	Retained Earnings	Total
Balances as at 1st April 2019	45,41,879	11,45,14,976	17,98,000	(9,14,94,373)	2,93,60,482
Profit for the period				87,68,754	87,68,754
Other comprehensive income				30,10,132	30,10,132
Total comprehensive income for the year	-	-	-	1,17,78,886	1,17,78,886
Balance as at 31st March 2020	45,41,879	11,45,14,976	17,98,000	(7,97,15,487)	4,11,39,368
Balances as at 1st April 2020	45,41,879	11,45,14,976	17,98,000	(7,97,15,487)	4,11,39,368
Profit for the period				(4,95,05,172)	(4,95,05,172)
Other comprehensive income				32,20,945	32,20,945
Total comprehensive income for the year	-	-	-	(4,62,84,228)	(4,62,84,228)
Balance as at 31st March 2021	45,41,879	11,45,14,976	17,98,000	(12,59,99,715)	(51,44,860)

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 001932S

For and on behalf of the Board of Directors
KERALA AYURVEDA LIMITED,

Mathew Joseph , B Com, FCA
Proprietor
MEM NO 022658
Place : Ernakulam
Date : 30th June, 2021

Sd/-
Ramesh Vangal
Chairman (DIN:00064018)

Sd/-
N Murali Krishna
Chief Financial Officer

Sd/-
Ashitha B R
Company Secretary

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, 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 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.
- Intangible assets that are acquired (including implementation of software system) are measured initially at cost.
- 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	
Stores and Spares	
Work in Progress	
Finished goods (Manufactured)	Cost
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. 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 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:

	Gratuity	
	Current year	Previous year
Change in present value of obligation		
1. Present value of the obligation at the beginning of the year	48,412,241	43,682,470
2. Current service cost	3,811,524	3,102,591
3. Interest on defined benefit obligation	3,056,693	3,010,034
4. Actuarial (gain)/loss	(4,511,628)	408,372
5. Benefits paid	(17,81,205)	(1,791,226)
6. Present value of obligation at the end of the year	48,987,625	48,412,241
Liability recognized in the Financial statements		
Long term	39,562,751	40,187,568
Short term	9,424,874	8,224,673
Costs for the year		
Change in the present value of obligation		
1. Current service cost	3,811,524	3,102,591
2. Interest Cost	3,056,693	3,010,034
3. Actuarial (gain)/loss		
4. Total Expenses	6,868,217	6,112,625
Main Actuarial Assumptions		
Discount rate(p.a)	6.85%	6.90%
Salary escalation rate (p.a)	0.00%	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

2021	Carrying Amount					Fair Value	
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non-current financial assets							
Investments							
In subsidiaries(Unquoted)	11,33,67,970			11,33,67,970		11,33,67,970	
Non-trade (unquoted)	2,62,500			2,62,500		2,62,500	
Non trade(quoted)	27,850			27,850		27,850	
Loans			21,74,42,605	21,74,42,605		21,74,42,605	
Other Financial assets	4,18,58,381			4,18,58,381	4,18,58,381		
Current Financial asset							
Trade receivable	9,77,31,641			9,77,31,641	9,77,31,641		
Cash and cash equivalent	1,07,23,511			1,07,23,511	1,07,23,511		
	26,39,71,853		21,74,42,605	48,14,14,458	15,03,13,533	33,11,00,925	
Non-Current Financial liabilities							
Borrowings	31,77,19,261		23,66,01,722	55,43,20,983	31,77,19,261	23,66,01,722	
Current Financial liabilities							
Borrowings	10,58,92,781			10,58,92,781	10,58,92,781		
Trade Payables	5,02,47,918			5,02,47,918	5,02,47,918		
	47,33,36,775		23,66,01,722	70,99,38,497	47,33,36,775	23,66,01,722	

2020	Carrying Amount				Fair Value		
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non-current financial assets							
Investments							
In subsidiaries(Unquoted)	113,367,970			113,367,970		113,367,970	
Non-trade (unquoted)	1,262,500			1,262,500		1,262,500	
Non trade(quoted)	27,850			27,850		27,850	
Loans			203,217,321	203,217,321		203,217,321	
Other Financial assets	41,471,906			41,471,906	41,471,906		
Current Financial asset							
Trade receivable	90,752,199			90,752,199	90752199		
Cash and cash equivalent	19,028,486			19,028,486	19028486		
	265,910,911		203,217,321	469,128,232	151,252,591	317,875,641	
Non-Current Financial liabilities							
Borrowings	314,356,933		157,205,299	471,562,232	314,356,933	157,205,299	
Current Financial liabilities							
Borrowings	106,350,046			106,350,046	106,350,046		
Trade Payables	56,214,390			56,214,390	56,214,390		
	476,921,369		157,205,299	634,126,667	476,921,369	157,205,299	

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											Amount in Rs	
	Land	Building	Plant & Machinery	Electrical fittings	Furniture & Fixtures	Office equipments	Computer & Accessories	Vehicles	Misc fixed assets	Total	Web Development expenditure	Capital work in progress
At Cost												
Gross Block as at 31st March 2020	11,18,01,866	5,16,95,931	4,42,98,631	70,52,918	3,49,37,712	1,41,67,035	1,21,41,050	33,73,815	24,94,436	28,19,63,395	22,99,629	11,54,86,793
Other acquisition	-	12,44,697	17,77,192	24,910		75,741	20,38,832			51,61,373	15,166	43,18,890
Disposal	-	-									-	-
Gross Block as at 31st March 2021	11,18,01,866	5,29,40,629	4,60,75,823	70,77,828	3,49,37,712	1,42,42,776	1,41,79,882	33,73,815	24,94,436	28,71,24,768	23,14,795	11,98,05,682
Depreciation & Impairment										-		
Balance as at 31st March 2020	-	2,56,74,341	3,17,71,862	46,31,985	2,67,59,674	1,18,26,722	95,86,235	21,20,567	1,44,226	11,25,15,612	8,03,876	-
Depreciation charge for the year	-	14,04,248	22,81,650	4,31,974	20,73,839	6,46,287	5,64,415	3,19,989	-	77,22,401	4,28,951	-
Disposal	-	-										-
Balance as at 31st March 2021	-	2,70,78,588	3,40,53,513	50,63,959	2,88,33,513	1,24,73,009	1,01,50,650	24,40,555	1,44,226	12,02,38,013	12,32,827	-
Carrying Value										-		
As at 31st March 2020	11,18,01,866	2,60,21,590	1,25,26,769	24,20,933	81,78,038	23,40,313	25,54,815	12,53,248	23,50,210	16,94,47,783	14,95,752	11,54,86,793
As at 31st March 2021	11,18,01,866	2,58,62,040	1,20,22,311	20,13,869	61,04,199	17,69,767	40,29,232	9,33,260	23,50,210	16,68,86,754	10,81,967	11,98,05,682

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31.03.2021			
	Particulars	As at 31st Mar'21	As at 31st Mar'20
		Amount in Rs	Amount in Rs
5	<u>Non Current Investments</u>		
	In Subsidiary Companies		
	(Unquoted, At cost)		
	16,65,000 equity shares of Rs 10 each in	6,42,86,600	6,42,86,600
	Ayurvedagram Heritage Wellness Centre Pvt Ltd		
	100 Common stock of no par value in Nutravada Inc.(formerly known as Ayu.In	5,620	5,620
	100 Common stock of no par value in Ayu Natural	2,15,16,252	2,15,16,252
	Medicines Clinic PS., USA		
	100 Common stock of no par value in Ayurvedic	2,72,42,710	2,72,42,710
	Academy Inc., USA		
	817 Common stock of USD 1 par value in	34,853	34,853
	CMS Katra Holdings LLC, USA		
	6201 Shares of face value 1 Sing \$ in Nutravada Pte Ltd, Singapore	2,81,935	2,81,935
	Non Trade		
	(Quoted, At cost)		
	500 equity shares of Rs 10 each fully paid up in	27,850	27,850
	Canara Bank Ltd(Quoted) Market Value Rs 189.85		
	last Year Rs 367.90 per share		
	(Unquoted, At cost)		
	114 Equity Shares of Rs.10000/- each in		12,62,500
	Confederation for Ayurvedic Renaissance Keralam Pvt Ltd		
	14 Equity Shares of Rs.10000/- each in	2,62,500	
	Confederation for Ayurvedic Renaissance Keralam Pvt Ltd		
	Total	11,36,58,320	11,46,58,320
6	<u>Financial assets-Loans</u>		
	Loans to Subsidiaries	-	20,32,17,321
	Ayun Inc -WC Loan	6,42,99,661	-
	CMS Katra Holding LLC Loan	6,32,19,176	-
	NUTRAVEDA PTE LTD -LOAN	33,480	-
	Suveda Inc-WC Loan	8,98,90,287	-
	Total	21,74,42,605	20,32,17,321
7	<u>Financial assets-Other financial assets</u>		
	Deposits with Govt. Authorities	11,66,429	11,66,429
	Deposits with others	1,00,38,507	94,86,501
	Bank Deposits with Original maturity more than 12 Months	4,73,956	6,39,487
	Deferred Product Development Exp	3,01,79,489	3,01,79,489
		-	
	Total	4,18,58,381	4,14,71,906
8	<u>Income Tax assets(net)</u>		
	Income Tax advance	35,18,952	35,52,668
	MAT credit entitlement a/c	1,28,58,913	1,28,91,796
	Total	1,63,77,865	1,64,44,464
9	<u>Inventories</u>		
	Finished Goods	2,44,87,557	3,64,58,450
	Goods in transit	18,41,933	21,23,475
	Furnace Oil	1,88,187	3,10,365
	Packing Material	72,79,723	77,72,216
	Raw Material	1,11,65,307	1,38,86,521
	Stores & Spares	3,45,696	1,91,512
	Work in Progress	1,73,47,726	2,15,70,170
	WIP Nurse Training Deferred	3,23,21,902	3,23,21,902
	Total	9,49,78,030	11,46,34,610
10	<u>Financial assets- Trade receivables</u>		
	secured, considered	-	-
	Unsecured, considered good	9,77,31,641	9,07,05,562
	Doubtful	-	-
	Less, Allowance for Doubtful debts	-	-
	Total	9,77,31,641	9,07,05,562
11	<u>Cash and cash equivalents</u>		
	(a) Cash on hand	7,12,375	4,03,957
	(b) Cheques, drafts on hand	8,21,484	16,92,868
	(i) In Current accounts	91,89,652	1,69,31,661
	Total	1,07,23,511	1,90,28,486
12	<u>Other Current Assets</u>		
	Advance for Purchase	1,10,51,355	31,73,427
	Other Advances	6,16,98,639	4,43,40,451
	Advance to employees	8,54,180	8,15,955
	Prepaid expense	9,58,789	10,86,724
	Total	7,45,62,963	4,94,16,557

Kerala Ayurveda Limited					
Notes forming part of the financial statements for the year ended 31st March 2021					
Note	Particulars	As at 31st March, 2021		As at 31st March, 2020	
		Number of shares	In Rs	Number of shares	In Rs
13	Share capital				
	(a) Authorised Capital				
	Equity shares of Rs 10/- each with voting rights	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
	(b) Issued Capital				
	Equity shares of Rs 10/- each with voting rights	1,05,55,670	10,55,56,700	1,05,55,670	10,55,56,700
	(c) Subscribed and fully paid up				
	Equity shares of Rs 10/- each with voting rights	1,05,55,670	10,55,56,700	1,05,55,670	10,55,56,700
	Total	1,05,55,670	10,55,56,700	1,05,55,670	10,55,56,700
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, 2021	1,05,55,670	-	-	1,05,55,670
	- Number of shares	10,55,56,700	-	-	10,55,56,700
	- Amount (In Rs.)				
	Year ended 31st March, 2020				
	- Number of shares	1,05,55,670	-	-	1,05,55,670
	- Amount (In Rs.)	10,55,56,700	-	-	10,55,56,700
(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, 2021		As at 31st March, 2020		
	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, 2021					
M/s Katra Holdings Ltd, the holding company	64,93,435			64,93,435	
As at 31st March, 2020					
M/s Katra Holdings Ltd, the holding company	64,93,435			64,93,435	

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31.03.2021			
	Particulars	As at 31st Mar'21	As at 31st Mar'20
		Amount in Rs	Amount in Rs
14	Reserves and Surplus		
	Capital Reserve	45,41,879	45,41,879
	Share Premium	11,45,14,976	11,45,14,976
	General reserve	17,98,000	17,98,000
	Surplus / (Deficit) in Statement of Profit and Loss		
	At the commencement of the year	(7,97,15,487)	(9,14,94,373)
	Add: Profit for the year	(4,62,84,228)	1,17,78,886
	Less: Carrying amounts of Fixed Assets debited to retained earnings where remaining useful life of the Asset is NIL as on 1st April 2014	-	-
	Net Surplus / (Deficit) in the Statement of Profit and Loss	(12,59,99,715)	(7,97,15,487)
	Total	(51,44,860)	4,11,39,368
15	Financail Liabilities- borrowings (Non Current)		
	(a) Term loans		
	ECL Finance Limited	30,95,68,565	30,90,97,260
	M/s Samunnati Financial Intermediation & Services Pvt Ltd	76,27,511	52,59,673
	M&S Leisure-Travel A/C	5,23,185	
	Katra Holding Pvt Ltd	23,66,01,722	15,72,05,299
	Total	55,43,20,983	47,15,62,232
16	Provisions		
	Provision for Gratuity	3,95,62,751	4,01,87,568
	Total	3,95,62,751	4,01,87,568
17	Other Long-Term Liabilities		
	Deposits Received from Business associates	33,90,000	31,40,000
	Advance from TGBL(ICD from Tata Global Beverages Limited)	4,25,00,000	4,25,00,000
	(E M of 2 Acres and 4 Guntas of land bearing Survey no 49 of Sonnapanahalli Village, Doddaballapur Taluk, Bengaluru belong to Arudrama)		
	Deposits from Others		
	Total	4,58,90,000	4,56,40,000
18	Financail Liabilities -Borrowings(Current)		
	Secured loan repayable on demand		
	Kotak Mahindra Bank-Ernakulam (OD)	31,91,581	1,05,94,103
	Kotak Mahindra Bank-Bangalore (OD)	6,23,01,200	7,55,95,014
	Kotak Mahindra Bank Short Term Loan	4,04,00,000	2,01,60,929
	(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)		
	(E M of 2 Acres and 4 Guntas of land bearing Survey no 49 of Sonnapanahalli Village, Doddaballapur Taluk, Bengaluru belong to Arudrama)		
	Total	10,58,92,781	10,63,50,046
19	Trade Payables		
	Trade payables outstanding dues to Micro, small and medium enterprises under MSMED Act, 2006		
	Sundry Creditors- Mfgs.	3,83,12,589	4,28,38,318
	Sundry Creditors- Others	1,19,35,329	1,33,76,072
	Total	5,02,47,918	5,62,14,390
20	Other current liabilities		
	(a) Other payables		
	Advances from Customers	51,25,688	1,16,93,508
	Statutory Liabilities	55,23,747	59,25,715
	Accrued Employee Liabilities	78,74,082	42,46,451
	Loans repayable within one year-HP Loan	-	2,69,221
	Rent Payable	75,96,895	65,43,395
	Other Current Liabilities	2,27,31,066	1,39,71,089
	Provision for gratuity	94,24,874	82,24,673
	Total	5,82,76,352	5,08,74,052
21	Provisions		
	(a) Provision - Others:		
	Bonus Payable	69,60,000	61,10,000
	Privilage Leave Encashment Payable	7,16,742	12,60,402
	Provision for MAT	-	20,29,260
	Total	76,76,742	93,99,662

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31.03.2021			
Notes	Particulars	For the period ended 31st Mar'2021	For the period ended 31st Mar'2020
		Amount in Rs	Amount in Rs
22	<u>Revenue from Operations</u>		
	(a) Sale of products	39,68,76,474	44,28,41,978
	(b) Sale of services	3,51,51,779	9,40,05,464
	Total	43,20,28,252	53,68,47,442
	(i) Sale of products	39,68,76,474	44,28,41,978
	(ii) Sale of services comprises:		
	Treatment Income	3,05,99,102	8,47,23,046
	Training Income	24,73,490	72,83,684
	Other Operational Income	20,79,188	19,98,734
	Total	3,51,51,779	9,40,05,463.94
23	<u>Other Income</u>		
	Interest Received	17,15,253	15,63,787
	Total	17,15,253	15,63,787
24	<u>Cost of materials consumed</u>		
	<u>Raw Material</u>		
	Opening stock	1,38,86,521	1,29,94,620
	Add: Purchases	9,60,68,833	10,91,07,205
	Less: Closing stock	1,11,65,307	1,38,86,521
	(A)	9,87,90,046	10,82,15,305
	<u>Packing Material</u>		
	Opening Stock	77,72,216	52,76,124
	Add: Purchase	2,40,37,782	2,96,55,427
	Less: Closing Stock	72,79,723	77,72,216
	(B)	2,45,30,275	2,71,59,335
	Cost of material consumed(A+B)	12,33,20,322	13,53,74,639
25	<u>Purchase of Stock In Trade</u>		
	Purchase of Medicines	59,23,374	43,83,696
	Total	59,23,374	43,83,696
26	<u>Changes in inventories of stock of F G, WIP & Stock in trade</u>		
	<u>Inventories at the end of the year:</u>		
	Stock of FG,WIP & Stock in Trade	4,36,77,215	6,01,52,095
		4,36,77,215	6,01,52,095
	<u>Inventories at the beginning of the year:</u>		
	Stock of FG,WIP & Stock in Trade	6,01,52,095	5,65,60,103
		6,01,52,095	5,65,60,103
	Net (increase) / decrease	1,64,74,879	(35,91,992)
27	<u>Employee benefits expense</u>		
	Salaries and wages	11,76,38,038	13,64,77,109
	Contribution to Provident Fund	70,67,919	94,13,614
	Staff welfare expenses	59,37,399	1,44,00,879
	Total	13,06,43,356	16,02,91,601
28	<u>Finance costs</u>		
	(a) Interest expense on:		
	(i) Borrowings	5,94,66,066	1,12,62,263
	(ii) Others		
	- Other Interest	10,08,573	9,42,190
	Total	6,04,74,639	1,22,04,453

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31.03.2021			
Notes	Particulars	For the period ended 31st Mar'2021	For the period ended 31st Mar'2020
		Amount in Rs	Amount in Rs
29	Depreciation expense		
	Depreciation	81,51,353	67,88,353
	Total	81,51,353	67,88,353
30	Other expenses		
	Rent	1,62,48,898	2,12,47,063
	Bank Charges	9,10,476	14,88,925
	Rates and Taxes	5,03,378	9,72,618
	Legal & Professional charges	34,31,168	19,52,940
	Directors Sitting Fee	5,65,000	7,15,000
	Research and Development Expenses	7,50,169	6,16,830
	Travelling -Others	9,79,230	22,93,861
	Repairs & Maintenance- Others	17,23,252	24,29,850
	Vehicle Maintenance	87,909	2,48,998
	Insurance	9,68,318	8,74,144
	Printing & Stationery	11,89,847	11,51,974
	Postage & Telephone	17,33,363	16,03,551
	Secretarial Expense	10,96,603	16,94,566
	Repairs & Maintenance Branch assets	12,93,092	21,33,432
	Conveyance Expenses	7,01,602	42,27,035
	Canteen Expenses	3,91,067	19,56,114
	Electricity charges (Branches/Depot)	16,68,301	27,59,236
	Other Administrative Expenses	36,10,435	64,29,490
	Internal Audit fee	50,000	50,000
	Audit fee	5,10,000	1,50,000
	Travelling-Sales Staff	1,04,81,565	1,61,97,906
	Advertisements	1,84,406	14,75,525
	Commission & Discount	34,83,258	79,61,988
	Training Expenses	1,20,587	5,22,771
	Freight Outward	1,30,69,866	1,07,14,524
	Sales promotion exp	54,76,711	1,41,09,315
	Other Selling & Distribution Expenses	1,46,90,131	1,34,67,294
	Fuel Consumed	74,48,578	1,22,54,146
	Electricity charges	17,45,318	21,37,308
	Repairs to Plant & Machinery	16,43,732	30,98,796
	Repairs to Building	1,09,199	2,81,893
	Job Works	1,76,46,234	2,25,90,457
	Other Manufacturing Expenses	33,97,387	41,69,738
	Cultivation Expenses	1,44,969	3,01,704
	Treatment Expenses	54,51,814	1,04,85,709
	Indirect tax	3,10,10,074	3,60,38,691
	Total	15,45,15,937	21,08,03,393
	(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
	As auditors - Statutory audit & Tax Audit	5,10,000	1,50,000
	Reimbursement of expenses	67,950	40,000
	Total	5,77,950	1,90,000

Kerala Ayurveda Limited				
Notes forming part of the financial statements for the year ended 31st March, 2021				
Notes	Particulars	31st March, 2021	31st March, 2020	
31	Earnings In Foreign Currency			
	Export of Medicine	95,60,932	1,14,38,018	
	Total	95,60,932	1,14,38,018	
	Expenditure in Foreign Currency :			
	Import of Machinery	-	-	
	Total	-	-	
32	Managerial Remuneration			
	To the Whole Time Director			
	Salary	11,28,137	14,71,774	
	Other Allowances	10,83,017	14,13,129	
	Reimbursements			
	Total	22,11,154	28,84,903	
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 and Education Foundation		
		Katra Holding Pvt. Ltd.		
		S R Pharmaceuticals		
		Katra Phytochem India Pvt. Ltd.		
		Confederation for Ayurvedic Renaissance Keralam Ltd.		
	Director/Key Managerial Person	Mason & Summers Leisure Pvt. Ltd.		
		Dr K Anil Kumar, Whole time Director		
		Mr. N Murali Krishna, CFO		
		Ms.Ashitha B R, 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, 2021	31st March, 2020
		Purchase of Raw Materials		
		All Season Herbs Pvt Ltd	18,83,160	27,36,462
		Katra Phytochem India Pvt Ltd	7,53,113	16,22,426
		Confederation for Ayurvedic Renaissance Keralam Ltd	1,52,220	2,82,508
		Sale of Medicines & Treatments		
		Ayurvedagram Heritage Wellness Centre P Ltd	36,16,965	69,43,219
		Suveda Inc	62,83,876	67,34,155
		Katra Phytochem India Pvt Ltd	6,51,948	3,78,796
	Services Received			
	Ayurvedagram Heritage Wellness Centre P Ltd		6,23,888	
	S R Pharmaceuticals	36,01,041	54,25,609	
	Mason & Summers Leisure P Ltd	2,90,737	21,53,402	
	Services Rendered			
	Ayurvedagram Heritage Wellness Centre P Ltd	-	45,00,000	
	Ayurvedic Academy Inc	19,75,359	10,45,830	
	Suveda Inc	37,43,613	-	

Kerala Ayurveda Limited				
Notes forming part of the financial statements for the year ended 31st March, 2021				
	Particulars	31st March, 2021	31st March, 2020	
	Remuneration Paid			
	Dr K Anilkumar, Director	22,11,154		28,84,903
	Mr Arvind Agarwal, CFO	30,08,156		28,30,130
	Mr.Murali Krishna, CFO	19,29,192		
	Ms Ashitha, Company Secretary	2,93,647		1,55,883
	Reimbursement of Expenses			
	KAL Subsidiaries	-		1,96,31,730
	Katra Phytochem India Pvt Ltd	-		84,969
	Advances			
	Ayurvedagram Heritage Wellness Centre P Ltd	1,75,00,000		-
	S R Pharmaceuticals	80,00,000		-
	Interest on Advances			
	Ayurvedagram Heritage Wellness Centre P Ltd	16,59,823		13,65,852
	Borrowings(including loans)			
	Katra Holding Pvt Ltd			
	Repayment of Loans			
	To Katra Holding Pvt Ltd	-		-
	By KAL Subsidiaries in USA	-		-
	Balances outstanding at the end of the year			
	Lending- to KAL Subsidiaries (Overseas)	21,74,42,605		20,32,17,321
	Borrowings- from Katra Holding Pvt Ltd	16,82,09,639		15,72,05,299
	Advances to Ayurvedagram Heritage Wellness Centre P Ltd	3,97,88,899		2,07,95,057
34	Contingent Liabilities			
	Particulars			
	I. The company has given a bank guarantee of Rs.500,000/- to The Registrar, Banaras Hindu University towards security deposit for running Kerala Ayurveda Panchakarma Center at S S Hospital under BHU in Varanasi.			
35	Note			
	Tata Global Beverages Limited ('TGBL') had preferred an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against the company on 25.10.2019 before the Hon'ble NCLT, Kochi making a claim for recovery of Rs. 5.18 crores along with Interest, which is actually a trade advance of Rs.4.25 crores made to the company under the Agreement dated 28.06.2013, pursuant to the MOU dated 27.12.2010 and Joint Development Agreement dated 09.02.2012. The trade advance has been secured by an equitable mortgage vide a tripartite agreement dated 05.09.2014. The Company filed an application before the Hon'ble NCLT, Kochi under Section 8 of the Arbitration and Conciliation Act, 1996 with a view that disputes between the parties under the aforesaid agreements are to be resolved by reference to arbitration. The matter is yet to be admitted and therefore is sub-judice and pending before the Hon'ble NCLT, Kochi. The Company has also disputed the interest claim of Rs.93 lakhs raised by TGBL. On 25.06.2021 the Company filed civil petition before the Hon'ble High Court of Karnataka under section 11(6) of the Arbitration and Conciliation Act,1996 seeking for appointment of an arbitrator to adjudicate the disputes between the parties.			
36	Deferred tax assets/ (liabilities)			
	Particulars	As at 31st March, 2020	Movement	As at 31st March, 2021
	Book/Tax depreciation difference	(57,25,592)	7,41,887	(49,83,705)
	Provision for Gratuity	50,31,006	11,70,929	62,01,934
	Unabsorbed Depreciation Carried fo	(83,88,949)	1,43,42,367	59,53,417
	Total deferred tax Asset	(90,83,536)	1,62,55,182	71,71,646

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31st March, 2021			
37	Earnings Per Share :		
	Particulars	31st March, 2020	31st March, 2021
	Net Profit / (Loss) after Tax	(4,62,84,228)	1,17,78,886
	Weighted Average Number of Shares outstanding during the year	1,05,55,670	1,05,55,670
	Earnings Per Share (Rs.)	(4.38)	1.12
	Nominal Value of Shares (Rs.)	10	10
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.		
<div><div><div>In terms of our report attached.</div><div>For Maharaj Rajan & Mathew</div><div>Chartered Accountants</div><div>FIRM REGN NO 001932S</div><div>Mathew Joseph , B Com, FCA</div><div>Proprietor</div><div>MEM NO 022658</div><div>Place : Ernakulam</div><div>Date : 30th June, 2021</div></div><div><div>For and on behalf of the Board of Directors</div><div>KERALA AYURVEDA LIMITED,</div><div>Sd/-</div><div>Ramesh Vangal</div><div>Chairman (DIN:00064018)</div><div>Sd/-</div><div>N Murali Krishna</div><div>Chief Financial Officer</div></div><div><div>Sd/-</div><div>Ashitha B R</div><div>Company Secretary</div></div></div>			

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, 2021, 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, 2021, 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	How the Key Audit Matter was addressed in our audit
Refer to note 2.f 'Inventories' to the Consolidated financial statements. The total value of inventory as of March 31, 2021 amounted to ₹ 1,100 lakhs representing 9.61% of the total assets (2020: ₹ 1,283 Lakhs, 12.46% of the total assets). Inventories are measured at the lower of cost and net realisable value on FIFO Basis. The valuation of inventory is dependent on establishing appropriate valuation controls. We focused on this area as Management judgment is applied to estimate the appropriate write-down for obsolete inventories and the indirect production costs manually capitalised as inventory. These judgments are key elements in the valuation of inventories.	We have performed the following principal audit procedures in relation to Inventory valuation: • We tested relevant internal controls that the Company uses to ensure proper valuation of inventory, including the procedures for write-down of obsolete inventory and the indirect production costs manually capitalised as inventory. • We tested the adequacy of write-downs for excess and/or obsolete inventory by verifying future demand data, historical usage, historical accuracy of write-downs and management's plans to utilise the inventory. • We evaluated the significant judgements and estimates made by Management in applying Company's accounting policy in relation to indirect production costs. • We assessed the Company's disclosures in the financial statements in respect of inventory.

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. 6,791.53 Lakhs as at 31 March 2021, total revenue of Rs. 1996.80 Lakhs, total net Profit after tax of Rs. 188.37 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, 2021 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.

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

Sd/-

Mathew Joseph Bcom ,FCA,DISA(ICA)
(Partner)
Membership Number 022658

Ernakulam
30/06/2021

Annexure A

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, 2021, 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 2021, 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 ₹ 1775.65 lakhs as at 31 March 2021, total revenues of ₹ 287.15 Lakhs and net loss after tax ₹ 93.49 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

Sd/-
Mathew Joseph Bcom ,FCA,DISA(ICA)
(Partner)
Membership Number 022658

Ernakulam
30/06/2021

Kerala Ayurveda Limited				
Consolidated Balance Sheet as at 31st March, 2021				
Particulars		Note	As at 31st March, 2021	As at 31st March, 2020
		No.	Amount in Rs	Amount in Rs
A	ASSETS			
	Non-Current assets			
	a) Property, Plant & Equipment	4	21,84,71,845	22,45,19,564
	b) Capital work in progress		14,09,42,669	13,66,23,779
	c) Other Intangible Assets		64,09,841	70,38,314
	d) Good will on Consolidation		10,25,77,168	10,25,77,168
	e) Financial Assets			
	(i) Investments	5	2,90,350	12,90,350
	(ii) Loans	6	17,25,57,082	16,72,37,954
	(iii) Other Financial assets	7	4,46,41,637	4,42,87,504
	f) Deferred Tax Asset		60,70,961	-
	g) Income Tax assets(net)	8	1,63,77,865	1,64,44,464
	Total Non current Assets		70,83,39,417	70,00,19,097
	Current Assets			
	a) Inventories	9	11,00,34,329	12,83,03,157
	b) Financial assets			
	(i) Trade Receivables	10	10,32,91,060	10,70,83,736
	(ii) Cash and Cash equivalents	11	18,55,94,715	6,36,73,319
	c) Other current assets	12	3,76,02,117	3,05,98,091
	Total Current Assets		43,65,22,221	32,96,58,304
	TOTAL ASSETS		1,14,48,61,638	1,02,96,77,401
B	EQUITY AND LIABILITIES			
	Equity			
	a) Equity Share Capital	13	10,55,56,700	10,55,56,700
	b) Other Equity	14	(7,15,22,353)	(2,63,07,112)
	Equity attributable to the owners of the Company		3,40,34,347	7,92,49,588
	Non Controlling Interest		1,80,00,643	1,80,00,643
	Total Equity		5,20,34,990	9,72,50,231
	Liabilities			
	Non-Current Liabilities			
	a) Financial Liabilities			
	(i) Borrowings	15	66,08,31,081	52,44,17,415
	b) Provisions	16	4,27,03,319	4,35,83,748
	c) Other non current Liabilities	17	4,58,90,000	4,56,40,000
	d) Deferred Tax Liability (Net)		-	1,28,75,740
	Total Non Current Liabilities		74,94,24,400	62,65,16,903
	Current liabilities			
	a) Financial Liabilities			
	(i) Borrowings	18	10,60,75,313	11,72,30,224
	(ii) Trade payables	19	6,12,91,286	6,65,42,003
	b) Other current liabilities	20	16,83,58,907	11,04,08,412
	c) Provisions	21	76,76,742	1,17,29,629
	Total Current Liabilities		34,34,02,248	30,59,10,268
	Total Liabilities		1,09,28,26,648	93,24,27,171
	Total Equity and Liabilities		1,14,48,61,638	1,02,96,77,401
	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 0079205				
Mathew Joseph FCA		Sd/-		
Partner		Ramesh Vangal		
MEM NO 22658		Chairman (DIN:00064018)		
Place : Athani		Sd/-		Sd/-
Date : 30th June, 2021		N Murali Krishna		Ashitha B R
		Chief Financial Officer		Company Secretary

Kerala Ayurveda Limited

Consolidated Profit and Loss for the year ended 31st March, 2021

	Particulars	Note No.	For the period ended 31st March 2021	For the period ended 31st March 2020
			Amount in Rs	Amount in Rs
1	Revenue from operations	22	62,07,40,286	76,77,32,788
2	Other income	23	11,22,535	1,97,935
3	Total Income		62,18,62,821	76,79,30,723
4	Expenses			
	(a) Cost of Materials consumed	24	11,61,39,535	14,12,03,110
	(b) Purchases of Medicines (Stock In Trade)	25	1,68,31,144	1,20,41,991
	(c) Changes in Inventories of FG, WIP & Stock In Trade	26	1,68,98,510	(36,55,356)
	(d) Employee benefits expense	27	21,99,90,838	24,63,04,975
	(e) Finance costs	28	6,32,20,075	1,54,74,946
	(f) Depreciation & Ammortisation	29	1,27,79,241	1,14,34,809
	(g) Other expenses	30	23,01,42,880	29,06,69,475
	(h) Gain or loss on conversion to INR		1,32,43,483	90,81,145
	Total Expenses		68,92,45,706	72,25,55,096
	Profit Before Extraordinary items and Tax (3 - 4)		(6,73,82,885)	4,53,75,627
	Add: Exceptional Items			
5	Profit / (Loss) Before Extraordinary items and Tax		(6,73,82,885)	4,53,75,627
6	Add: Extraordinary Items		-	
7	Profit Before Tax (5-6)		(6,73,82,885)	4,53,75,627
8	Tax expense:			
	(a) Current tax		-	41,51,856
	(b) Deferred tax		1,89,46,700	27,20,022
	(c) (Less): MAT credit (where applicable)		-	(20,29,260)
			1,89,46,700	48,42,618
9	Profit for the period		(4,84,36,185)	4,05,33,009
10	Less Minority Interest		-	15,59,716
11	Profit for the year after minority Interest		(4,84,36,185)	3,89,73,293
12	Other comprehensive income			
	Items that will not be reclassified to Profit or Loss		32,20,945	30,10,132
13	Total Income for the year, net of Taxes		(4,52,15,241)	4,19,83,425
14	Earnings Per Equity Share			
	Basic & diluted [Nominal value of shares Rs. 10/- each]		(4.28)	3.98
	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 007920S

Mathew Joseph FCA

Partner

MEM NO 22658

Place : Athani

Date : 30th June, 2021

**For and on behalf of the Board of Directors
KERALA AYURVEDA LIMITED,**

Sd/-

Ramesh Vangal

Chairman (DIN:00064018)

Sd/-

N Murali Krishna

Chief Financial Officer

Sd/-

Ashitha B R

Company Secretary

Kerala Ayurveda Limited		
Consolidated Cash Flow Statement for the Period ended 31st March , 2021		
Particulars	For the Period Ended 31st March , 2021	For the Period Ended 31st March , 2020
	Amount in Rs	Amount in Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and Interest	(41,62,810)	6,08,50,574
Adjustment to reconcile Profit Before Tax to Net Cash Flows		
Interest Received	(3,46,356)	(1,97,935)
Finance Cost(Fair value change in Financial Instruments)	(1,10,04,340)	(1,02,84,459)
Finance Income (Fair value change in Financial Instruments)	1,42,25,285	1,32,94,591
Depreciation and Amortisation	1,27,79,241	1,14,34,809
Operating profit before working capital changes	1,14,91,020	7,50,97,579
Adjustments for:		
Trade receivables	37,92,677	(3,81,28,054)
Inventories	1,82,68,828	(1,24,95,059)
Other Current Assets	(70,04,026)	2,19,96,702
Other Financial Assets	(3,54,133)	(2,88,52,927)
Income tax Assets	66,599	(21,16,762)
Trade Payables	(52,50,716)	2,28,44,186
Current Financial liabilities- Provisions	(40,52,887)	14,02,318
Other Current Liabilities	5,79,50,495	85,35,881
Non- Current Financial liabilities- Provisions	(8,80,429)	36,08,388
Other non current liabilities	2,50,000	1,25,000
Cash generated from operations	6,27,86,407	(2,30,80,327)
Direct taxes paid	-	(21,22,596)
Net cash from operating activities A	7,42,77,427	4,98,94,656
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets(including Capital Work in progress)	(1,04,21,940)	(3,34,69,868)
Investments	10,00,000	
Loans to Subsidiaries	(53,19,128)	(69,84,035)
Interest Received	3,46,356	1,97,935
Net cash used in Investing activities B	(1,43,94,712)	(4,02,55,968)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of long term loan	13,64,13,666	2,67,37,521
Net Increase/(Decrease) in Working Capital Borrowings	(1,11,54,911)	(27,69,068)
Finance Cost	(6,32,20,075)	(1,54,74,946)
Net cash from financing activities C	6,20,38,680	84,93,507
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	12,19,21,395	1,81,32,194
Cash & Cash Equivalents at Beginning of year	6,36,73,319	4,55,41,125
Cash & Cash Equivalents at End of year	18,55,94,715	6,36,73,319
Net Increase/(Decrease) in Cash & Cash Equivalents	12,19,21,396	1,81,32,194
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	For and on behalf of the Board of Directors KERALA AYURVEDA LIMITED,	
Mathew Joseph FCA Partner MEM NO 22658	Sd/- Ramesh Vangal Chairman (DIN:00064018)	
Place : Athani Date : 30th June, 2021	Sd/- N Murali Krishna Chief Financial Officer	Sd/- Ashitha B R Company Secretary

Kerala Ayurveda Limited
Statement of Changes in Equity

A	Equity Share Capital					
	Particulars		Note	Amount in Rs.		
	Balance as at 31st March 2020		13	10,55,56,700		
	Changes in Equity share capital during the year, 2019-20			-		
	Balance as at 31st March 2021			10,55,56,700		
B						
	Other equity		Note 14			
	Particulars		Reserves and Surplus			
		Capital reserve	Share premium	General reserve	Retained Earnings	Total
	Balances as at 1st April 2019	45,41,879	11,45,14,976	17,98,000	(18,91,45,392)	(6,82,90,537)
	Profit for the period				3,89,73,293	3,89,73,293
	Other comprehensive income				30,10,132	30,10,132
	Balance as at 31st March, 2020	45,41,879	11,45,14,976	17,98,000	(14,71,61,967)	(2,63,07,112)
	Balances as at 1st April 2020	45,41,879	11,45,14,976	17,98,000	(14,71,61,967)	(2,63,07,112)
	Profit for the period				(4,84,36,185)	(4,84,36,185)
	Other comprehensive income				32,20,945	32,20,945
	Balance as at 31st March, 2021	45,41,879	11,45,14,976	17,98,000	(19,23,77,208)	(7,15,22,353)

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

For and on behalf of the Board of Directors
KERALA AYURVEDA LIMITED

Mathew Joseph FCA
Partner
MEM NO 22658

Sd/-
Ramesh Vangal
Chairman (DIN:00064018)

Sd/-
N Murali Krishna
Chief Financial Officer

Sd/-
Ashitha B R
Company Secretary

Place : Athani
Date : 30th June, 2021

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.
- Intangible assets that are acquired (including implementation of software system) are measured initially at cost.
- 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	
	Current year	Previous year
Change in present value of obligation		
1. Present value of the obligation at the beginning of the year	5,19,74,813	4,65,34,004
2. Current service cost	42,63,571	34,99,486
3. Interest on defined benefit obligation	32,96,770	32,18,368
4. Actuarial (gain)/loss	-32,32,576	5,14,181
5. Benefits paid	(23,38,629)	(17,91,226)
6. Present value of obligation at the end of the year	5,39,63,949	5,19,74,813
Liability recognized in the Financial statements		-
Long term	4,27,03,319	4,35,83,748
Short term	96,79,797	83,91,065
Costs for the year		-
Change in the present value of obligation		-

1. Current service cost	42,63,571	34,99,486
2. Interest Cost	32,96,770	32,18,368
3. Actuarial (gain)/loss		-
4. Total Expenses	75,60,341	67,17,854
Main Actuarial Assumptions		
Discount rate(p.a)	6.85%	6.90%
Salary escalation rate (p.a)	0% until year 1 inclusive, then 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

2021	Carrying Amt				Fair Value		
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non-current financial assets							
Investments							
Non-trade (unquoted)	2,62,500			2,62,500		2,62,500	
Non trade(quoted)	27,850			27,850		27,850	
Loans	17,25,57,082			17,25,57,082		17,25,57,082	
Other Financial assets	4,46,41,637			4,46,41,637	4,46,41,637		
Current Financial asset				0			
Trade receivable	10,32,91,060			10,32,91,060	10,32,91,060		
Cash and cash equivalent	18,55,94,715			18,55,94,715	18,55,94,715		
	50,63,74,844			50,63,74,844	33,35,27,412	17,28,47,432	
Non-Current Financial liabilities							
Borrowings	42,42,29,359		23,66,01,722	66,08,31,081	42,42,29,359	23,66,01,722	
Current Financial							
Borrowings	10,60,75,313			10,60,75,313	10,60,75,313		
Trade Payables	6,12,91,286			6,12,91,286	6,12,91,286		
	59,15,95,958		23,66,01,722	82,81,97,680	59,15,95,958	23,66,01,722	

2020	Carrying Amt			Fair Value			
	Amortised cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non-current financial assets							
Investments							
Non-trade (unquoted)	1,262,500			1,262,500		1,262,500	
Non trade(quoted)	27,850			27,850		27,850	
Loans	167,237,954			167,237,954		167,237,954	
Other Financial assets	14,108,015			14,108,015	14,108,015		
Current Financial asset				-			
Trade receivable	107,083,736			107,083,736	107,083,736		
Cash and cash equivalent	63,673,319			63,673,319	63,673,319		
	353,393,375			353,393,375	184,865,071	168,528,304	
Non-Current Financial liabilities							
Borrowings	367,212,116		157,205,299	524,417,415	367,212,116	157,205,299	
Current Financial							
Borrowings	117,230,224			117,230,224	117,230,224		
Trade Payables	66,542,003			66,542,003	66,542,003		
	550,984,343		157,205,299	708,189,642	550,984,343	157,205,299	

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 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	Land	Building	Building Temporary	Building Lease hold	Plant& Machinery	Electrical fittings	Furniture & Fixtures	Office equipments	Computer & Accessories	Vehicles	Misc fixed assets	Total	Amount in Rs.					Capital WIP
													Web Development Exp	Preoperative Exp	Buildout	Content Dev Exp	Total	
At Cost																		
Balance as at 1 April 2020	12,22,76,411	12,40,31,661	2,98,83,242	-	4,70,53,957	70,52,918	4,42,18,150	2,36,77,610	1,64,42,581	81,48,058	24,94,435	42,52,79,021	22,99,629	5,47,964	12,21,123	75,15,246	1,15,83,962	13,66,23,779
Other acquisition		12,44,697			17,77,192	24,910	1,09,000	84,740	20,50,082			52,90,622	15,166			7,97,262	8,12,428	43,18,890
Disposal												-					-	
Effect of foreign currency exchange differences												-					-	
Gross Block as at 31st March 2021	12,22,76,411	12,52,76,358	2,98,83,242	-	4,88,31,149	70,77,828	4,43,27,150	2,37,62,350	1,84,92,663	81,48,058	24,94,435	43,05,69,642	23,14,795	5,47,964	12,21,123	83,12,508	1,23,96,390	14,09,42,669
Depreciation & Impairment																		
Balance as at 1 April 2020	-	6,30,16,069	2,83,89,081	-	3,27,01,633	46,31,985	3,46,00,894	2,02,98,160	1,28,38,927	41,38,481	1,44,226	20,07,59,456	8,03,876	-	4,741	37,37,031	45,45,648	-
Depreciation charge for the year		29,60,391			27,03,597	4,31,974	24,09,224	8,54,176	13,19,933	6,59,047		1,13,38,341	4,28,951		65,958	9,45,992	14,40,901	-
Disposal												-					-	-
Effect of foreign currency exchange differences												-					-	-
Balance as at 31st March 2021	-	6,59,76,460	2,83,89,081	-	3,54,05,230	50,63,959	3,70,10,118	2,11,52,336	1,41,58,860	47,97,527	1,44,226	21,20,97,797	12,32,828	-	70,699	46,83,023	59,86,549	-
Carrying Value																		
As at 31st March 2020	12,22,76,411	6,10,15,591	14,94,161	-	1,43,52,324	24,20,933	96,17,256	33,79,449	36,03,654	40,09,577	23,50,209	22,45,19,564	14,95,752	5,47,964	12,16,383	37,78,215	70,38,314	13,66,23,779
As at 31st March 2021	12,22,76,411	5,92,99,898	14,94,161	-	1,34,25,919	20,13,869	73,17,032	26,10,014	43,33,802	33,50,530	23,50,209	21,84,71,845	10,81,967	5,47,964	11,50,425	36,29,485	64,09,841	14,09,42,669

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31st March, 2021			
Note No	Particulars	As at 31st March, 2021	As at 31st March, 2020
		Amount in Rs.	Amount in Rs.
5	<u>Non Current Investments</u>		
	Non Trade		
	(Quoted, At cost)		
	500 equity shares of Rs 10 each fully paid up in Canara Bank Ltd(Quoted) Market Value Rs.150.43 last Year Rs.90.50 per share	27,850	27,850
	(Unquoted, At cost)		
	14 Equity Shares of Rs.10000/- each in Confederation for Ayurvedic Renaissance Keralam Pvt Ltd	2,62,500	-
	114 Equity Shares of Rs.10000/- each in Confederation for Ayurvedic Renaissance Keralam Pvt Ltd	-	12,62,500
	Total	2,90,350	12,90,350
	Market Value of Quoted Investments	75,215	45,250
	Aggregate amount of Unquoted Investments	2,62,500	12,62,500
6	<u>Financial assets-Loans</u>		
	Loans to Katra Finance Ltd, Mauritius	16,14,89,066	16,14,07,473
	Katra Phytochem India Pvt Ltd	40,16,633	40,69,901
	Others	70,51,383	17,60,580
	Total	17,25,57,082	16,72,37,954
7	<u>Financial assets-Other financial assets</u>		
	Deposits with Govt. Authorities	11,66,429	11,66,429
	Deposits with others	1,28,21,763	1,23,02,099
	Bank Deposits with Original maturity more than 12 Months	4,73,956	6,39,487
	Deferred Product Development Expenditure	3,01,79,489	3,01,79,489
	Total	4,46,41,637	4,42,87,504
8	<u>Income Tax assets(net)</u>		
	Income Tax advance	35,18,952	35,52,668
	MAT credit entitlement a/c	1,28,58,913	1,28,91,796
	Total	1,63,77,865	1,64,44,464
9	<u>Inventories</u>		
	Finished Goods	3,89,75,681	4,91,78,060
	Goods in transit	18,41,933	21,23,475
	Furnace Oil	1,88,187	3,10,365
	Packing Material	72,79,723	77,72,216
	Raw Material	1,17,33,482	1,48,35,458
	Stores & Spares	3,45,696	1,91,512
	Work in Progress	1,73,47,726	2,15,70,170
	WIP Nurse Training Deferred	3,23,21,902	3,23,21,902
	Total	11,00,34,329	12,83,03,157
10	<u>Financial assets- Trade receivables</u>		
	Unsecured, considered good	7,05,05,346	7,40,50,336
	Katra Finance Limited MAURITIUS	1,86,76,044	1,89,23,730
	Katra Holdings Private Limited	1,41,09,670	1,41,09,670
	Less, Allowance for Doubtful debts	-	-
	Total	10,32,91,060	10,70,83,736
11	<u>Cash and cash equivalents</u>		
	Cash on hand	8,01,741	6,20,700
	Cheques, drafts on hand	8,21,484	16,92,868
	Balances with banks		
	(i) In Current accounts	18,34,01,827	5,84,28,137
	Credit card Collection Due	5,69,664	29,31,614
	Total	18,55,94,715	6,36,73,319
12	<u>Other Current Assets</u>		
	Advance for Purchase	1,27,23,807	47,19,365
	Other Advances	2,29,80,341	2,38,97,435
	Advance to employees	9,39,180	8,94,568
	Preoperative expense	9,58,789	10,86,724
	Total	3,76,02,117	3,05,98,091

Kerala Ayurveda Limited

Notes forming part of the financial statements for the year ended 31st March, 2020

	Particulars	As at 31st March, 2021		As at 31st March, 2020	
		Number of shares	In Rs	Number of shares	In Rs
13	Share capital				
	(a) Authorised Capital				
	Equity shares of Rs 10/- each with voting rights	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
	(b) Issued Capital				
	Equity shares of Rs 10/- each with voting rights	1,05,55,670	10,55,56,700	1,05,55,670	10,55,56,700
	(c) Subscribed and fully paid up				
	Equity shares of Rs 10/- each with voting rights	1,05,55,670	10,55,56,700	1,05,55,670	10,55,56,700
	Total	1,05,55,670	10,55,56,700	1,05,55,670	10,55,56,700
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 31st March, 2020	1,05,55,670	-	-	1,05,55,670
	- Number of shares	10,55,56,700	-	-	10,55,56,700
	- Amount (In Rs.)				
	Year ended 31st March, 2019				
	- Number of shares	1,05,55,670	-	-	1,05,55,670
	- Amount (In Rs.)	10,55,56,700	-	-	10,55,56,700
(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, 2021		As at 31st March, 2020	
		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, 2021				
	M/s Katra Holdings Ltd, the holding company	64,93,435			64,93,435
	As at 31st March, 2020				
	M/s Katra Holdings Ltd, the holding company	64,93,435			64,93,435

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the year ended 31st March, 2021			
Note No	Particulars	As at 31st March, 2021	As at 31st March, 2020
		Amount in Rs.	Amount in Rs.
14	<u>Other Equity</u>		
	Capital Reserve	45,41,879	45,41,879
	Share Premium	11,45,14,976	11,45,14,976
	General reserve	17,98,000	17,98,000
	Surplus / (Deficit) in Statement of Profit and Loss At the commencement of the year	(14,71,61,967)	(18,91,45,392)
	Add OCI	32,20,945	30,10,132
	Add: Profit for the year	(4,52,15,241)	3,89,73,293
	Net Surplus / (Deficit) in the Statement of Profit and Loss	(19,23,77,208)	(14,71,61,967)
	Total	(7,15,22,353)	(2,63,07,112)
15	<u>Financial Liabilities- Borrowings (Non Current)</u>		
	(a) Term loans	-	-
	ECL Finance Limited	30,95,68,565	30,90,97,260
	Sumunnati Finance	76,27,511	52,59,673
	M&S Leisure-Travel A/C	5,23,185	-
	Katra Holding Pvt Ltd	23,66,01,722	15,72,05,299
	Katra Finance Limited	4,71,71,773	4,77,97,360
	Unsecured Loan from Financial Institutions	5,93,38,325	50,57,823
	KAL HO ADVANCE FROM SHARE HOLDER	-	-
	Total	66,08,31,081	52,44,17,415
16	<u>Financial Liabilities-Provisions (Non Current)</u>		
	Provision for Gratuity	4,27,03,319	4,35,83,748
	Total	4,27,03,319	4,35,83,748
17	<u>Other Long-Term Liabilities</u>		
	Deposits Received from Business associates	33,90,000	31,40,000
	Advance from TGBL(ICD)	4,25,00,000	4,25,00,000
	(Secured by EM Of 2 Acres and 4 Guntas of land bearing Survey No 49 of Sonnapanahalli Village,Doddaballaour Taluk, Bengaluru)		
	Total	4,58,90,000	4,56,40,000
18	<u>Financial Liabilities -Borrowings(Current)</u>		
	Secured loan repayable on demand		
	Kotak Mahindra Bank-Ernakulam (OD)	31,91,581	1,05,94,103
	Kotak Mahindra Bank-Bangalore (OD)	6,23,01,200	7,55,95,014
	Kotak Mahindra Bank Short Term Loan	4,05,82,532	2,01,60,929
	(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)		
	(Secured by Lein on Fixed Deposit held with Kotak Mahindra Bank and personal guarantee of the Directors)		
	Kotak Mahindra Bank Limited	-	3,90,404
	Current Maturities of Long term loans	-	1,01,68,594
	Credit card Dues	-	3,21,180
	Total	10,60,75,313	11,72,30,224
19	<u>Trade Payables</u>		
	Trade payables outstanding dues to Micro, small and medium enterprises under MSMED Act, 2006	-	-
	Kerala Ayurveda HO	-	-
	Sundry Creditors- Mfgs.	3,83,12,589	4,28,38,318
	Katra Phytochem India Pvt Ltd	-	40,50,618
	Sundry Creditors- Others	2,29,78,697	1,96,53,067
	Total	6,12,91,286	6,65,42,003
20	<u>Other current liabilities</u>		
	(a) Other payables	-	-
	Advances from Customers	9,58,77,216	5,90,41,175
	KAL Services	-	-
	Statutory Liabilities	61,45,321	64,06,933
	Accrued Employee Liabilities	2,58,27,633	1,32,63,780
	Loans repayable within one year-HP Loan	79,09,829	2,69,221
	Rent Payable	76,19,055	65,77,215
	Other Current Liabilities	1,53,00,055	1,64,59,023
	Provision for gratuity	96,79,797	83,91,065
	Total	16,83,58,907	11,04,08,412
21	<u>Provisions</u>		
	(a) Provision - Others:		
	Bonus Payable	69,60,000	61,10,000
	Privilage Leave Encashment Payable	7,16,742	12,60,402
	Provision for Taxation	-	43,59,227
	Total	76,76,742	1,17,29,629

Kerala Ayurveda Limited			
Notes forming part of the financial statements for the period ended 31st March, 2021			
Note No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
		Amount in Rs	Amount in Rs
22	<u>Revenue from Operations</u>		
	(a) Sale of products	42,98,14,493	47,63,70,490
	(b) Sale of services	19,09,25,793	29,13,62,299
	Total	62,07,40,286	76,77,32,788
	(i) <u>Sale of products comprises:</u>	-	-
	<u>Sale of Products</u>	43,97,15,334	47,63,70,490
	Total	43,97,15,334	47,63,70,490
	(ii) <u>Sale of services comprises:</u>		
	<u>Treatment Income</u>	7,43,23,692	17,06,14,036
	<u>Training Income</u>	11,45,22,913	11,47,83,953
	<u>Other Operational Income</u>	20,79,188	59,64,310
	Total	19,09,25,793	29,13,62,299
23	<u>Other Income</u>		
	Other Income	7,76,179	-
	Interest Received	3,46,356	1,97,935
	Total	11,22,535	1,97,935
24	<u>Cost of materials consumed</u>		
	<u>Raw Material</u>		
	<u>Opening stock</u>	1,48,35,458	1,45,15,556
	Add: Purchases	8,85,07,284	11,43,63,677
	Less: Closing stock	1,17,33,482	1,48,35,458
	(A)	9,16,09,260	11,40,43,776
	<u>Packing Material</u>		
	<u>Opening Stock</u>	77,72,216	52,76,124
	Add: Purchase	2,40,37,782	2,96,55,427
	Less: Closing Stock	72,79,723	77,72,216
	(B)	2,45,30,275	2,71,59,335
	Cost of material consumed(A+B)	11,61,39,535	14,12,03,110
25	<u>Purchase of Stock In Trade</u>		
	Purchase of Medicines	1,68,31,144	1,20,41,991
	Total	1,68,31,144	1,20,41,991
26	<u>Changes in inventories of stock of F G, WIP & Stock in trade</u>		
	<u>Inventories at the end of the year:</u>		
	Stock of FG,WIP & Stock in Trade	4,44,24,327	6,13,22,837
	Finished Goods		
	Work In Progress	1,97,27,552	1,97,27,552
		1,97,27,552	1,97,27,552
		4,44,24,327	6,13,22,837
	<u>Inventories at the beginning of the year:</u>		
	Stock of FG,WIP & Stock in Trade	6,13,22,837	5,76,67,481
	Finished Goods	3,29,37,182	3,29,37,182
	Work In Progress	1,90,87,051	1,90,87,051
		5,20,24,233	5,20,24,233
		6,13,22,837	5,76,67,481
	Net (increase) / decrease	1,68,98,510	(36,55,356)
27	<u>Employee benefits expense</u>		
	Salaries and wages	19,95,78,760	21,33,91,914
	Contribution to Provident Fund	81,36,756	1,14,83,246
	Gratuity	3,90,343	-
	Staff welfare expenses	1,18,84,979	2,14,29,816
	Total	21,99,90,838	24,63,04,975
28	<u>Finance costs</u>		
	(a) Interest expense on:		
	(i) Borrowings	6,19,32,986	1,42,27,699
	- Other Interest	12,87,089	12,47,247
	Total	6,32,20,075	1,54,74,946

Kerala Ayurveda Limited Notes forming part of the financial statements for the period ended 31st March, 2021			
Note No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
		Amount in Rs	Amount in Rs
29	Depreciation expense		
	Depreciation	1,17,67,292	1,04,13,809
	Amortisation	10,11,949	10,21,000
	Total	1,27,79,241	1,14,34,809
30	Other expenses		
	Rent	2,68,24,317	2,94,30,586
	Bank Charges	9,10,476	14,97,537
	Rates and Taxes	18,00,087	27,63,710
	Legal & Professional charges	1,25,59,819	89,46,376
	Directors Sitting Fee	5,65,000	7,15,000
	Research and Development Expenses	7,50,169	6,16,830
	Travelling -Others	10,48,532	91,45,092
	Travelling Expenses-Conveyance	1,800	-
	Repairs & Maintenance- Others	17,23,252	24,29,850
	Vehicle Maintenance	87,909	2,48,998
	Insurance	28,55,036	13,13,732
	Printing & Stationery	21,65,995	48,04,955
	Postage & Telephone	50,23,060	37,08,449
	Secretarial Expenses	10,96,603	16,94,566
	Repairs & Maintenance Branch assets	12,93,092	21,33,432
	Conveyance Expenses	7,01,602	36,03,147
	Canteen Expenses	3,91,067	19,56,114
	Electricity charges (Branches/Depot)	16,68,301	27,59,236
	Other Administrative Expenses	1,52,45,941	1,05,51,444
	Security Expenses	22,11,986	23,62,134
	Communication expense	7,80,489	8,83,216
	Internal Audit fee	-	50,000
	Audit fee	5,10,000	1,50,000
	Travelling-Sales Staff	1,04,81,565	1,61,97,906
	Advertisements	1,84,406	14,75,525
	Commission & Discount	1,03,15,134	1,44,28,155
	Ref. Commission-HS	3,641	-
	Training Expenses	1,20,587	5,22,771
	Freight Outward	1,32,70,674	1,07,14,524
	Sales promotion exp	1,75,67,783	2,30,63,353
	Other Selling & Distribution Expenses	1,70,19,687	1,61,74,034
	Fuel Consumed	74,48,578	1,22,54,146
	Electricity charges	30,34,039	48,06,104
	Repairs to Plant & Machinery	20,95,289	41,35,167
	Repairs to Building	6,26,504	32,33,289
	Job Works	1,76,46,234	2,25,90,457
	Other Manufacturing Expenses	33,97,387	41,69,738
	Cultivation Expenses	1,44,969	3,01,704
	Indirect Taxes	3,10,10,074	3,60,38,691
	Independent Contractor	8,61,155	47,45,757
	Treatment Expenses	1,47,00,641	2,40,53,749
	Total	23,01,42,880	29,06,69,475
	(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
	As auditors - Statutory audit & Tax Audit	6,10,000	2,50,000
	For Certification and other matters	12,500	12,500
	For management services	-	-
	Reimbursement of expenses	67,950	40,000
	Total	6,90,450	3,02,500

Kerala Ayurveda Limited				
Notes forming part of the financial statements for the year ended 31st March, 2021				
Notes	Particulars	31st March, 2021	31st March, 2020	
31	Earnings In Foreign Currency			
	Export of Medicine	95,60,932	46,56,837	
	Total	95,60,932	46,56,837	
	Expenditure in Foreign Currency :			
	Import of Machinery	-	-	
	Total	-	-	
32	Managerial Remuneration			
	To the Whole Time Director			
	Salary	11,28,137	14,71,774	
	Other Allowances	10,83,017	14,13,129	
	Reimbursements			
	Total	22,11,154	28,84,903	
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(earlier Nutraveda Inc.) USA		
		Ayu Natural Medicine Clinic PS, USA		
		Ayurvedic Academy Inc., USA		
		Nutraveda Pte Ltd		
		CMS Katra Holdings LLC, USA		
	Companies where Promoter Director is having control/significant influence	CMS Katra Nursing LLC, USA		
		All Seasons Herbs Pvt. Ltd.		
		KAL Ayurveda Research and Education Foundation		
		Katra Holding Pvt. Ltd.		
		S R Pharmaceuticals		
		Katra Phytochem India Pvt. Ltd.		
	Director/Key Managerial Person	Confederation for Ayurvedic Renaissance Keralam Ltd.		
		Mason & Summers Leisure Pvt. Ltd.		
		Dr K Anil Kumar, Whole time Director		
		Mr N Murali Krishna, CFO		
		Ms.Ashitha B R, 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, 2021	31st March, 2020
		Purchase of Raw Materials		
		All Season Herbs Pvt Ltd	18,83,160	27,36,462
		Confederation for Ayurvedic Renaissance Keralam Ltd	1,52,220	2,82,508
		Katra Phytochem (India) Pvt Ltd	7,53,113	1,13,53,769
		Sale of Medicines & Treatments		
		Katra Phytochem India Pvt Ltd	6,51,948	3,78,796
		Services Rendered		
		Katra Holding Pvt Ltd		12,24,875
		Katra Phytochem India Pvt Ltd		1,48,809
		Global AgriSystems Pvt Ltd		
		Services Received		
		Mason & Summers Leisure P Ltd	2,90,737	23,13,972
		S R Pharmaceuticals	36.01.041	54.25.609

Remuneration Paid			
Dr K Anilkumar, Executive Director	22,11,154	28,84,903	
Mr Arvind Agarwal , CFO	30,08,156	28,30,130	
Mr.Murali Krishna, CFO	19,29,192		
Ms Ashitha, Company Secretary	2,93,647	1,55,883	
Reimbursement of Expenses			
Katra Phytochem India Pvt Ltd		84,969	
Advances			
Mason & Summers Leisure P Ltd		15,45,938	
S R Pharmaceuticals	80,00,000		
Payables			
Mason & Summers Leisure P Ltd		-	
Repayment of Loans			
Katra Holding Pvt Ltd		-	
Katra Finance Ltd, Mauritius		(50,87,471)	
Receivables			
Katra Holding Pvt Ltd		1,41,09,670	
Global AgriSystems Pvt Ltd		-	
Global Nutri Food India Pvt Ltd		-	
Balances outstanding at the end of the year			
Katra Finance Ltd, Mauritius	13,27,47,470	13,27,47,470	
from Katra Holding Pvt Ltd	16,82,09,639	15,72,05,299	
34	Contingent Liabilities		
	Particulars		
	I. The company has given a bank guarantee of Rs.500,000/- to The Registrar, Banaras Hindu University towards security deposit for running Kerala Ayurveda Panchakarma Center at S S Hospital under BHU in Varanasi.		
35	NCLT Matter related to TGBL Note		
	Tata Global Beverages Limited ('TGBL') had preferred an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against the company on 25.10.2019 before the Hon'ble NCLT, Kochi making a claim for recovery of Rs. 5.18 crores along with Interest, which is actually a trade advance of Rs.4.25 crores made to the company under the Agreement dated 28.06.2013, pursuant to the MOU dated 27.12.2010 and Joint Development Agreement dated 09.02.2012. The trade advance has been secured by an equitable mortgage vide a tripartite agreement dated 05.09.2014. The Company filed an application before the Hon'ble NCLT, Kochi under Section 8 of the Arbitration and Conciliation Act, 1996 with a view that disputes between the parties under the aforesaid agreements are to be resolved by reference to arbitration. The matter is yet to be admitted and therefore is sub-judice and pending before the Hon'ble NCLT, Kochi. The Company has also disputed the interest claim of Rs.93 lakhs raised by TGBL. On 25.06.2021 the Company filed civil petition before the Hon'ble High Court of Karnataka under section 11(6) of the Arbitration and Conciliation Act,1996 seeking for appointment of an arbitrator to adjudicate the disputes between the parties.		
36	Deferred tax assets/ (liabilities)		
	Particulars	As at 31st March, 2020	As at 31st March, 2021
	Book/Tax depreciation difference	(1,07,95,157)	7,91,206
	Provision for Gratuity	59,27,349	(1,00,03,951)
	Provision for PL Encashment	3,81,018	70,56,240
	Unabsorbed Depreciation Carried forward	(83,88,949)	(50,834)
	Total deferred tax Asset	(1,28,75,740)	1,70,77,438
			86,88,488
			60,70,961
37	Earnings Per Share :		
	Particulars	31st March, 2021	31st March, 2020
	Net Profit /(Loss) after Tax	(4,52,15,241)	4,19,83,425
	Weighted Average Number of Shares outstanding during the year	1,05,55,670	1,05,55,670
	Earnings Per Share (Rs.)	(4.28)	3.98
	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.
<div> <p>In terms of our report attached.</p> <p>For Maharaj Rajan & Mathew Chartered Accountants FIRM REGN NO 001932S</p> <p>Mathew Joseph , B Com, FCA Proprietor MEM NO 022658 Place : Ernakulam Date : 30th June, 2021</p> </div> <div> <p>For and on behalf of the Board of Directors KERALA AYURVEDA LIMITED,</p> <p>Sd/- Ramesh Vangal Chairman (DIN:00064018)</p> <p>Sd/- N Murali Krishna Chief Financial Officer</p> <p>Sd/- Ashitha B R Company Secretary</p> </div>	

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KERALA AYURVEDA LIMITED

LIST OF HOSPITALS, TREATMENT CENTRES, CLINICS, DEPOTS, ACADEMY & HEALTH RESORT

<p><u>HOSPITALS: IN KERALA</u></p> <p>KERALA AYURVEDA HOSPITAL MONASTERY LANE. A M ROAD <u>ALUVA</u> 683101 ERNAKULAM DIST. PH: 0484 2626119,2626966</p> <p>KERALA AYURVEDA HOSPITAL OPPOSITE AXIS BANK, BANK ROAD, <u>KASARAGODE</u>-671 121 PH : 0499-4222519</p> <p><u>TREATMENT CENTRES-IN KERALA</u></p> <p>KERALA AYURVEDA WELLNESS CENTER OLD WARRIAM ROAD EAST A.M.THOMAS ROAD, <u>ERNAKULAM</u>-682 016. PH: 0484-2375292, 2378198</p> <p>KERALA AYURVEDA WELLNESS CENTER XXVII/478, THEJUS, OPP NANDILATH G MART, TOLL JN, <u>EDAPALLY</u>, ERNAKULAM-682 016. PH: 0484-2557244</p> <p>KERALA AYURVEDA WELLNESS CENTRE UNIT OF THE HEALTH VILLAGE ZEEN, AMC VIII/73, BANK ROAD, <u>ALUVA</u> 683101 PH:0484- 3221365,0484-2623578</p> <p><u>FRANCHISEE CLINIC- KERALA</u></p> <p>KERALA AYURVEDA CLINIC OPP NEW KSRTC BUS STAND FORT ROAD, <u>NORTH PARUR</u>, ERNAKULAM DIST. PH: 0484-2445718</p> <p>CLINICS OUTSIDE KERALA</p> <p>KARNATAKA: KERALA AYURVEDA CLINIC 12, BOWRING HOSPITAL ROAD, SHIVAJI NAGAR, BENGALURU-560 001. PH: 080-25591825</p> <p>KERALA AYURVEDA CLINIC NO.285. WHITEFIELD MAIN ROAD, OPP STATE BANK OF MYSORE, WHITEFIELD, BENGALURU-560 065. PH: 080-28456212</p> <p><u>HEALTH RESORT</u></p> <p>AYURVEDAGRAM AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT LTD HEMANDANAHALLI, SAMETHANHALLI POST, VIA <u>WHITEFIELD</u>, BENGALURU-560 067. KARNATAKA PH: 080-27945428- 30, 65651090</p> <p>THE HEALTH VILLAGE KERALA AYURVEDA LIMITED MONASTERY LANE. A M ROAD <u>ALUVA</u> 683101 ERNAKULAM DIST. PH: 0484 2625630 2628630</p> <p><u>ACADEMY</u></p> <p>KERALA AYURVEDA ACADEMY MONASTERY LANE. A M ROAD <u>ALUVA</u> – 683 101. PH: 0484-2628707</p> <p>KERALA AYURVEDA ACADEMY USA 691 MILPITAS BLVD, SUITE 206 MILPITAS,CALIFORNIA 95035 USA PH:+1(888) 275-9103(Toll Free) +1(510)257-4378</p>	<p><u>TREATMENT CENTRES-OUTSIDE KERALA</u></p> <p>KERALA AYURVEDA WELLNESS CENTER AD 20(PLOT NO.3337) 5th AVENUE, ANNA NAGAR, CHENNAI-600 040. TAMIL NADU PH: 044-26214903</p> <p>KERALA AYURVEDA WELLNESS CENTER No 3282, 12TH MAIN, HAL IIND STAGE, INDIRA NAGAR, BENGALURU-560 038. KARNATAKA PH: 080-25262515,</p> <p>KERALA AYURVEDA WELLNESS CENTER #400, 18TH MAIN, 6TH BLOCK, KORAMANGALA, BENGALURU-560 095., KARNATAKA PH: 080-41699699</p> <p>KERALA AYURVEDA WELLNESS CENTER 451 Ground Floor 7th Main, 4th block JAYANAGAR, Bengaluru 560011 PH:080-26659455</p> <p>KERALA AYURVEDA LTD SARANGA TOWERS C/3 SARANGA BUNGALOW 3RD CROSS LANE, NEAR HIGH POINT RESTAURANT LOKHANDWALA COMPLEX ANDHERI (W), MUMBAI 400053 PH: 08169949781</p> <p>KERALA AYURVEDA WELLNESS CENTER 6-3-0906/B/1, SOMAJIGUDA NEAR YASODA SPECIALITY HOSPITAL HYDERABAD-500 082. ANDHRA PRADESH PH: 040-66613357</p> <p>KERALA AYURVEDA PANCHAKARMA CENTER SIR SUNDERLAL HOSPITAL, BANARAS HINDU UNIVERSITY, VARANASI-221 005 , UTTAR PRADESH PH: 0542-6540980, 92355-02847</p> <p>FRANCHISEE WELLNESS CENTERS</p> <p>KERALA AYURVEDA WELLNESS CENTER E-2, GREEN PARK EXTN, GREEN PARK MAIN MARKET ROAD, NEW DELHI-110 016. DELHI PH: 011-41754888/41759347</p> <p>KERALA AYURVEDA WELLNESS CENTER HOUSE NO 13, SECTOR 2, TRIKUTA NAGAR, JAMMU-180 012. JAMMU & KASHMIR PH: 0191-2470659, 97962-34666</p> <p>KERALA AYURVEDA WELLNESS CENTRE 2M219 HOUSE, 2ND MAIN RD, EAST OF NGEF LAYOUT, KASTURI NAGAR, BENGALURU, KARNATAKA 560043 PH: 077605 08568</p> <p><u>KALPAM CENTRES</u></p> <p>DR.ERA AYURVEDA M2/31, LG, AKASHNEEM MARG, LANDMARK: NEAR M BLOCK GATE NO. 2, GURGAON 122008 PH: 0124 4056514, , 9318354198</p> <p>AYURSOUKHYAM WELLNESS CENTER BESIDE SAI BABA TEMPLE, SHRI SAI ASHIRVAD, 1ST FLOOR, SHREE, GHANTALI DEVI RD, NAUPADA, THANE WEST, THANE, MAHARASHTRA 400602 PH: 091378 98310</p> <p style="text-align: center;">FOR ANY INFORMATION PLEASE WRITE TO info@keralaayurveda.biz</p>	<p>DEPOTS IN KERALA:</p> <p>KERALA AYURVEDA DEPOT 13/225, Purayar U C College P O East Desom 683101 Ph: 9349008734</p> <p>KERALA AYURVEDA DEPOT NO.38/2639,PKC ROAD,WEST HILL P.O.. KOZHIKODE -5 PH:9562508420</p> <p>DEPOT OUTSIDE KERALA:</p> <p>KERALA AYURVEDA DEPOT 6-3-906/B/1, 1ST FLOOR, SOMAJIGUDA BEHIND YASODA SPECIALITY HOSPITAL HYDERABAD-500 082. PH: 040-66613357</p> <p>KERALA AYURVEDA DEPOT SHOP NO.6/7/8/9/10 JAI GURUDEV CO-OP.HOUSING SOCIETY PLOT NO.106B, SECTOR NEW 50E SEAWOOD(W) NAVI MUMBAI – 400 706 PH: 9562507711</p> <p>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</p> <p>KERALA AYURVEDA DEPOT 38, DEHGAM JAIN SOCIETY, KASHIB ROAD, RANIP, AHMEDABAD- 380 014 PH: 079-27540263</p> <p>KERALA AYURVEDA DEPOT 2844, KHADE BAZAR, BELGAVI- 590001 PH:9448989540</p> <p>KERALA AYURVEDA DEPOT NEW NO.BB, OLD NO.20, NYNIAPPA NAICKEN STREET, PARK TOWN, CHENNAI-600003 PH:044-25356078</p> <p>KERALA AYURVEDA DEPOT NO.18,TAGORE NAGAR SBI OFFICERS III COLONY SS COLONY-MADURAI MADURAI -625 010, TAMIL NADU PH: 0452-2606373</p> <p>KERALA AYURVEDA DEPOT B36/9C, SANKATMOCHAN-LANKA, VARANASI, UTTAR PRADESH-221005</p> <p>KERALA AYURVEDA DEPOT C&F WINTERGREEN ENTERPRISES, UPHAR, 29L, BASANTVIHAR, SEC-1, JAIL ROAD, ELDECO-L, LUCKNOW, U.P.226012 PH: 9650222354</p> <p>KERALA AYURVEDA DEPOT 114, RABINDRASARANI BANGUR BUILDING 1st FLOOR, ROOM NO.17-C KOLKATTA, WEST BENGAL PIN:700 007 PH:033 22723015</p> <p>FACTORY OUTLET</p> <p>KERALA AYURVEDA LIMITED FACTORY OUTLET VII/415, NEDUMBASSERY ATHANI P.O., ALUVA – 683 585. 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