



KAL/COR/BSE/09/435/2016

4th October, 2016

The Manager,
Dept. of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Dear Sir,

Sub: **Annual Report of the company for the Financial Year 2015-16**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached the Annual Report of the company for the Financial Year 2015-16 duly approved and adopted by the members of the company as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking you,
Yours faithfully,

For **Kerala Ayurveda Ltd.,**

Arvind

Arvind Agarwal
Compliance Officer

Kerala Ayurveda Limited

CIN - L24233KL1992PLC006592

Corp. Office:
1134, 1st floor, 100 feet road, HAL 2nd stage,
Indira Nagar, Bangalore - 560 008.
Ph: +91 80 41808000, Fax: +91 80 41808030
www.keralaayurveda.biz

Regd. Office:
Athani Post, Ernakulam District.
Kerala - 683 585. India.
Ph: +91 484 2476301/2/3/4, Fax: +91 484 2474376
E-mail: info@keralaayurveda.biz

KERALA AYURVEDA LIMITED

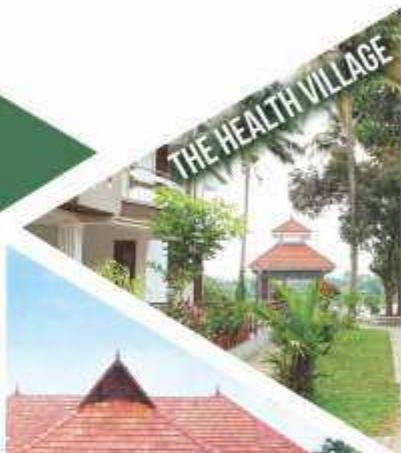
24TH ANNUAL REPORT 2015 - 2016

ANCIENT WISDOM.
MODERN APPROACH.

KAL ACADEMY



THE HEALTH VILLAGE



AYURVEDAGRAM



PRODUCTS



RESEARCH



A PRESTIGIOUS AWARD



KERALA
ayurvedaTM

Authentic Herbal Ayurveda for Modern Times

ASSOCHAM awards Kerala Ayurveda Ltd. as
'HERBAL COMPANY OF THE YEAR'

ASSOCHAM awards Kerala Ayurveda Ltd. as 'HERBAL COMPANY OF THE YEAR'



The Associated Chambers of Commerce & Industry of India awarded Kerala Ayurveda Limited as 'HERBAL COMPANY OF THE YEAR' as part of its **NUTRACEUTICALS & HERBALS EXCELLENCE AWARD 2016** held at New Delhi on 5th July 2016. Ayurvedagram Heritage Wellness Centre Pvt. Ltd., a subsidiary of Kerala Ayurveda Limited, won the prestigious 'SPA & WELLNESS CENTRE OF THE YEAR' under the same Nutraceuticals & Herbs Excellence Awards 2016.

New Product Launch



KAL's Success Story With **GRITHAM CAPSULES** Just Got Bigger. Fortified Gritham (**INDUKANTHA AND MAHATHIKTHAKA GRITHAM**) was launched in Soft Gel Capsules dosage form.

Opening of New Multispeciality Clinic in Jayanagar Bengaluru



Inauguration of New Factory Outlet at Athani, Kerala



New KAL Academy Building



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ramesh Vangal, Chairman (DIN 00064018)
 Mr. Ronald George Pearce,
 Vice Chairman & Independent Director (DIN 00260166)
 Dr. K Anilkumar, Whole Time Director (DIN 00226353)
 Mr. M C Mohan, Independent Director (DIN 00633439)
 Mr. S Krishnamurthy, Independent Director (DIN 00140414)
 Mr. Kshiti Ranjan Das, Additional Independent Director
 (DIN 07212449) (appointed w.e.f. 6th November, 2015)
 Mr. Gokul Patnaik, Director (DIN 00027915)
 (appointed w.e.f. 28th May, 2016)
 Ms. Katarzyna Zimpel, Director (DIN 00264084)
 Mr. Anand Subramanian,
 (Alternate to Ms. Katarzyna Zimpel) (DIN 00064083)
 Mr. A T Jacob, Director (DIN 01663815)
 (resigned w.e.f. 28th May, 2016)

CHIEF FINANCIAL OFFICER & COMPLIANCE OFFICER

Mr. Arvind Agarwal

COMPANY SECRETARY

Ms. Itti Bhargava (resigned w.e.f. 11th June, 2016)

REGISTERED OFFICE & FACTORY

VII/415, Nedumbassery, Athani P.O,
 Aluva-683 585, Kerala, India
 CIN: L24233KL1992PLC006592
 info@keralaayurveda.biz www.keralaayurveda.biz

CORPORATE OFFICE

No.1134, 1st Floor, 100 Ft Road,
 HAL 2nd Stage, Indiranagar, Bengaluru – 560 008

STATUTORY AUDITORS

M/s. Biju George & Co.
 Chartered Accountants
 Vellingattu Towers, Thodupuzha – 685 584

SECRETARIAL AUDITORS

M/s. SVJS & Associates, Company Secretaries
 39/3519 B, 1st Floor, Padmam Apartments,
 Manikkath Road, Ravipuram, Kochi – 682 016

INTERNAL AUDITORS

Mr. Mathew Joseph, Chartered Accountant
 32/2431, Kunnath Lane, S N Junction,
 Palarivattom Kochi-682 025

BANKERS

Kotak Mahindra Bank Ltd

REGISTRAR & TRANSFER AGENTS

M/s. Integrated Enterprises (India) Ltd.
 Kences Towers, No.1 Ramakrishna Street
 T Nagar, Chennai - 600 017
 Ph: 044-28140801-03 Fax: 044-28142479
 E-mail : corpserve@integratedindia.in

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CHAIRMAN'S STATEMENT

Dear Shareholders,

India enjoys a rich heritage of more than 1000 years of knowledge in Ayurveda. 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'.



With cutting edge teamwork including biologists, chemists, scholars and practitioners and strong scientific network, Kerala Ayurveda Limited has set itself to lead the industry into bringing Ayurvedic solutions that are **Pure, Safe and Effective**, which is in line with the Indian Government's Vision to take Ayurveda Global.

The past year has been an exciting and eventful year for us. Our excellence in delivering quality products and Healthcare services has earned us the prestigious ASSOCHAM awards for Kerala Ayurveda Ltd. as '**HERBAL COMPANY OF THE YEAR**' and Ayurvedagram Heritage Wellness Centre Pvt. Ltd. (subsidiary) as '**SPA & WELLNESS CENTRE OF THE YEAR**'. The award encourages us to re-dedicate our efforts to validate Ayurveda as an authentic and holistic healthcare solution for the global market.

WHO estimates Non-communicable diseases (NCDs); lifestyle related diseases like Diabetes, Osteoarthritis, Hypertension, Obesity and Cancers kill about 38 million people each year. Ayurveda offers solutions which will play a vital role in managing these. Through Clinics & Wellness Resorts, Education and Scientific Partnerships, we are persistently working to benchmark our Ayurvedic products with pharma standards by appropriately blending modern science, rigorous clinical trials and in depth Ayurvedic wisdom to offer efficacious solutions across various health states.

Although conventional oral formulations are still widely used, innovations in dosage forms offer substantial advantages. **This requires a highly integrated approach that combines the best of the traditional wisdom and modern scientific knowledge and expertise.** We have **mastered the traditional technique of potentiating the formulations** and used this technique to carefully develop new products in modern dosage form. The new products launched last year, **Indukantham Ghritham Capsules, Mahathikthaka Ghritham Capsules, Ksheerbala 101 Avarti Capsules and Gandha Thailam Capsules** are amongst the few products that use this technology.

On the domestic front, focus on expanding distribution footprint continues and we have expanded the distribution in East India viz., West Bengal and Tripura. It is a continuous thrust and we will expand our distribution network to more territories for better accessibility to the doctors. We have also set up a New Multi-speciality Clinic at Jayanagar, Bengaluru and a "Factory Outlet" for consumers in Kerala. On the digital front, we are currently in the process of revamping our existing e-commerce website to improve consumer and doctor outreach. **Apart from undertaking new cost saving production measures as our contribution to improve environmental performance**, we have stopped using plastic bags in any of our Wellness Centres and use 100% reusable, recyclable and biodegradable paper bags.

We intend to be a force to reckon with in Healthcare Industry. Our Growth is encouraging and we expect this to accelerate with New Clinics, New Market Strategies, New Products and New Health Solutions.! We are **Inspired by Ayurveda, Powered by Science and Propelled by Education.**

We take pride in what we do. A commitment to make a healthy choice to bring Wellness, Naturally!

Bengaluru
9th August, 2016

Ramesh Vangal
Chairman

KERALA AYURVEDA LTD

CIN : L24233KL1992PLC006592

Regd.Off: VII/415, Nedumbassery Athani P O, 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 Fourth Annual General Meeting of the Members of Kerala Ayurveda Limited (CIN: L24233KL1992PLC006592) will be held on Thursday, the 29th September, 2016 at 3.30 p.m. at Green Park Auditorium, N.H. 47, Desom, Aluva-683 103, Kerala, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the company for the Financial Year ended 31st March, 2016 together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Ms. Katarzyna Zimpel, (DIN 00264084) who retires by rotation and being eligible, offers herself for re-appointment.

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

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the members of the Company is hereby accorded to ratify the appointment of M/s. Biju George & Co, Chartered Accountants, (Firm Reg. No. 0079325) Vellaringattu Towers, Thodupuzha -685 584 as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 25th Annual General Meeting of the Company to be held in the year 2017 and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2017 as may be determined in consultation with the Auditors.”

SPECIAL BUSINESS

4. **Appointment of Mr. Kshiti Ranjan Das (DIN 07212449) as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Section 149,150,152,161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kshiti Ranjan Das (DIN 07212449) who was appointed as an Additional Director at the meeting of the Board of Directors of the company held on 6th November, 2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the company up to 5th November,2020, not liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 152,161 and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Gokul Patnaik, (DIN 00027915) who was appointed as an Additional Director at the meeting of the Board of Directors of the company held on 28th May, 2016 and who holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.”

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

Place: Bengaluru
Date : 9th August, 2016

Ramesh Vangal
Chairman
(DIN: 00064018)

Important Notes:

- a) Register of members will remain closed from 24th September, 2016 to 29th September, 2016 (both days inclusive).
- b) Route map is attached as annexure to this Report. (Page No.87)
- c) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto.
- d) **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself or herself and the proxy need not be a member of the company.** Pursuant to the Provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. **The instrument appointing a proxy as per the format given at the end of this annual report to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.** Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. A proxy form is annexed to this report.
- e) Members holding shares in electronic form should get their email ids updated with their respective Depository Participant so that they can get the copies of correspondence etc., sent by the Company via email.
- f) Copies of the Annual Report 2015-16 are being sent by Electronic Mode to all the members whose email ID's are registered with the company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2015-16 are being sent by the permitted mode.
- g) Electronic copy of the 24th Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the

members whose email ID's are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested a hard copy of the same . For other members physical copies of the Notice indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by the permitted mode. Annual report will also be available on the Company's website www.keralaayurveda.biz under "Investor Section" for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working day. Even after registering for e-communications, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email ID: investor@keralaayurveda.biz.

- h) Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new share transfer Form SH-4.
- i) 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.
- j) 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: corpserv@integratedindia.in with a copy to the company's registered office and quote their folio number/client ID number.
- k) 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.
- l) 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 write to The Company Secretary / Compliance Officer Kerala Ayurveda Ltd, VII/415, Nedumbassery, Athani P.O., Aluva-683 585 so as to reach it latest by 26th September, 2016.
- m) The form of attendance slip is attached with this notice. Shareholders are requested to produce duly filled Attendance Slip for verification at the meeting. Members/proxies are requested to bring their copy of the Annual Report 2015-16 to the AGM.
- n) The registration at AGM venue shall be strictly open only upto the time AGM starts. Shareholders are requested to be present before AGM time.
- o) **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 the Company is pleased to provide members facility to exercise their right to vote at the 24th 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). E-Voting is optional and members

shall have the option to vote either through e-voting or in person at the general meeting. 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.

- p) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
- q) 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.
- r) **THE PROCESS AND INSTRUCTIONS FOR E-VOTING ARE AS UNDER:-**

A. In case of members receiving e-mail:

- (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company. Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>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 (iv).</p>

- (vii) After entering these details appropriately, click on “SUBMIT” tab
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN (Electronic Voting Sequence Number) **1600824050** for the relevant <Company Name> **Kerala Ayurveda Ltd.**, on which you choose to vote.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) 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.
- (xvii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details 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.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or call on toll free no.18002005533 or write an email to contact Mr. Rakesh Dalvi, Dy. Manager, Central Depository Services (India) Ltd, Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai at helpdesk.evoting@cdslindia.com who will also address the grievances connected with the voting by electronic means or can also write to Company Secretary at companysecretary@keralaayurveda.biz for any grievances related to voting through remote e-voting.
- B. In case of members receiving the physical copy of the Notice of AGM
Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- C. The e-voting period begins on 26th September, 2016 (9.00 a.m.) and ends on 28th September, 2016 (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 24th September, 2016 (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. The member who has voted by Remote e-voting, cannot vote at the meeting.
- D. If a person who is not a member on cut off date receives this notice, he has to treat this notice for information purposes only and he will not be able to e-vote.
- E. Mr. P. Sivakumar, Managing Partner, SVJS & Associates, Company Secretaries, Kochi-682 016 has been

appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.

- F. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer order voting through ballot paper for all those members who are present but not cast their votes electronically through remote e-voting facility.
- G. The Scrutinizer shall immediately after conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the company. The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, within 48 hours of the conclusion of the AGM, to the Chairman of the Company. Thereafter, the Chairman or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
- H. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.keralaayurveda.biz and on the website of CDSL immediately after the result is declared by the Chairman or any other person authorized by the Chairman and will be communicated to the Bombay Stock Exchange on which the company's equity shares are listed.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours on all working days, up to and including the date of the Annual General Meeting of the Company.

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

Item No.4

The Board of Directors appointed Mr. Kshiti Ranjan Das (DIN 07212449) as an Additional Director with effect from 6th November, 2015 pursuant to the provisions of Sections 161 of the Companies Act, 2013 and the rules made there under read with the Articles of Association of the company. Pursuant to the provisions of Sections 161 of the Companies Act, 2013, Mr. Kshiti Ranjan Das (DIN 07212449) will hold the office up to the conclusion of the ensuing Annual General Meeting of the Company.

The company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing the candidature of Mr. Kshiti Ranjan Das (DIN 07212449) alongwith deposit of requisite amount for the office of an Independent Director to be appointed as such under the provisions of section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Kshiti Ranjan Das (DIN 07212449), an Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of Management as per Schedule IV requirements.

A Brief profile of Mr. Kshiti Ranjan Das (DIN 07212449) has been annexed to this report. Keeping in view the experience and expertise of Mr. Kshiti Ranjan Das (DIN 07212449), his appointment as an Independent Director of the company is recommended for the necessary approval of the members.

Except Mr. Kshiti Ranjan Das (DIN 07212449), no other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution.

Item No.5

The Board of Directors appointed Mr. Gokul Patnaik (DIN 00027915) as an Additional Director with effect from 28th May, 2016 pursuant to the provisions of Sections 149, 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.

The company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing the candidature of Mr. Gokul Patnaik (DIN 00027915), alongwith deposit of requisite amount for the office of an Independent Director to be appointed as such under the provisions of section 149 of the Companies Act, 2013.

A Brief profile of Mr. Gokul Patnaik (DIN 00027915) has been annexed to this report. Keeping in view the experience and expertise of Mr. Gokul Patnaik (DIN 00027915) his appointment as Directors of the company is recommended for the necessary approval of the member.

Except Mr. Gokul Patnaik (DIN 00027915), no other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution.

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

Ms.Katarzyna Zimpel	Non-Executive Non- Independent Director
Director Identification Number (DIN)	00264084
Date of Birth	27 th June 1973
Age	43 years
Relationship with other Directors, Manager and other KMPs	Spouse of Mr. Ramesh Vangal, Chairman of KAL
Date of Appointment on Board	24 February 2006
Qualification	Degree in Art History from Canada Studied fashion at the Fashion Institute of Technology, New York.
Occupation	Business
Shareholding in KAL, held either by them or on a beneficial basis	NIL
List of Directorships held in other Companies (excluding foreign and Section 8 Companies)	Katra Holding Pvt. Ltd.
Name of Committees of the Companies of which she holds membership.	KAL Audit Committee – Member KAL Corporate Governance Committee - Member
Expertise in specific Functional Area	Co-Founder of the Katra Group and spouse of Mr. Ramesh Vangal. Her specific focus is on healthcare and managing a diversified investment portfolio. Founded the ASHA Foundation in 2001, to help brain-injured children through comprehensive rehabilitation. She also worked in the fashion industry in New York City.
Mr. Kshiti Ranjan Das	Non-Executive, Independent Director
Director Identification Number (DIN)	07212449
Date of Birth	11 th January, 1955
Age	61 Years
Relationship with other Directors, Manager and other KMPs	No
Date of Appointment on Board	6 th November, 2015
Qualification	Masters in Financial Management from Jamnalal Bajaj Institute of Management Studies. Masters degree in Arts and Bachelors in Law.
Occupation	Professional
Shareholding in KAL, held either by them or on a beneficial basis	NIL
List of Directorships held in other Companies (excluding foreign and Section 8 Companies)	NIL
Name of Committees of the Companies of which he holds membership.	KAL Audit Committee – Member KAL Nomination & Remuneration Committee – Member
Expertise in specific Functional Area	Mr. Kshiti Ranjan Das has served 33 distinguished years at the Reserve Bank of India in various capacities. He was head of the Regional Office of Reserve Bank of India during the eventful period of separation of Andhra Pradesh and Telangana states.. He was one of the key persons of the team that handled the critical Debt waiver issue announced by the CMs of both the states. Amongst other important projects, he was involved in 'initiating the process of tax receipts on Core Banking Solution Platform for UP and Uttarakhand', 'E-receipt portal for Commercial tax department of Karnataka'. He was the Banking Ombudsman for the seven states of the North East for three years. He also served as the Nominee Director of RBI on the Board of Syndicate Bank amongst other banks.

Mr. Gokul Patnaik	Non-Executive Non- Independent Director
Director Identification Number (DIN)	00027915
Date of Birth	15 th November, 1946
Age	70 Years
Relationship with other Directors, Manager and other KMPs	No
Date of Appointment on Board	28 th May, 2016
Qualification	M.A.(Political Science)
Occupation	Professional
Shareholding in KAL, held either by them or on a beneficial basis	Nil
List of Directorships held in other Companies (excluding foreign and Section 8 Companies)	Avan Agro-Tech Private Ltd Global Agri System Private Ltd. Gokul Patnaik Associates Private Ltd. Katra Phytochem (India) Private Ltd. LT Foods Ltd Mayfair Hotels & Resorts Limited Mason and Summers Alcobev Private Ltd. Mason and Summers Marketing Service Private Ltd. Global Nutrifood Private Ltd. Segrow Bio-Technics (India) Private Ltd.
Name of Committees of the Companies of which he holds membership.	KAL Stakeholders Relationship Committee - Chairman
Expertise in specific Functional Area	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. 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. 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. He was also the Chairman of Agricultural and Processed Food Products Export Development Authority (APEDA) under the Ministry of Commerce. 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.

By order of the Board of Directors
For Kerala Ayurveda Limited

Sd/-

Ramesh Vangal
Chairman
(DIN 00064018)

Place: Bengaluru
Date : 9th August,2016

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the 24th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2016.

FINANCIAL RESULTS

The Company's financial performance during the year 2015-16 as compared to the previous year 2014-15 is summarized below: in Lakhs

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Product Revenues	2757.67	2399.72	2869.97	2427.22
Service Revenues & Other Income	774.20	670.68	1999.38	1720.96
Gross Income	3531.87	3070.40	4869.35	4148.18
Less: VAT & Excise Duty	267.47	241.71	267.47	241.71
Net Income from Sales/Services	3264.40	2832.37	4601.88	3906.47
Profit before Interest, Depreciation & Tax (EBITDA)	416.38	329.54	763.64	607.71
Profit /Loss before extraordinary items	249.92	157.44	410.83	317.43
Extraordinary Items		---		---
Profit Before Tax	249.92	157.44	410.83	317.43
Net Profit/(Loss) after Tax	172.6	110.58	273.68	251.50
Minority Interest in Profit		---	3.56	15.94
Net Consolidated Profit/(Loss)	172.60	110.58	270.12	235.56
Loss brought forward from previous year	(869.09)	(906.36)	(3056.34)	(3291.90)
Loss Carried to the Balance Sheet	(696.49)	(869.09)	(2884.96)	(3056.34)

REVIEW OF OPERATIONS

During the Financial Year under review, the operational results ended with a Profit before Extraordinary items at ` 250 Lakhs as against ` 157 lakhs in the previous year. The Net revenue of the company stands at ` 3,264 Lakhs as against ` 2,832 Lakhs in the previous Financial Year reporting an 15% growth. The consolidated net revenue including its subsidiaries for the year is ` 4,602 Lakhs against ` 3,906 Lakhs during previous year report an 18% growth.

During the Financial Year under review, your company was able to improve the market share in Kerala and made a big progress outside Kerala.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Your company has seven subsidiaries including one step down subsidiary as on 31st March, 2016 and the details are as under:

SL	Name	Location	% of holding
1	Ayurvedagram Heritage Wellness Centre Pvt. Ltd.	India	74%
2	Ayurvedic Academy Inc.	USA	100%
3	Nutraveda Inc.	USA	100%
4	Ayu Natural Medicine Clinic, P.S.	USA	100%
5	CM SKatra Holdings LLC	USA	81.67%
6	CM SKatra Nursing LLC	USA	100%*
7	Nutraveda Pte Ltd.	Singapore	100%

* CMS Katra Holdings LLC holds 51% shareholding in CMS Katra Nursing LLC and Nutraveda Inc. holds the balance 49% shareholding; hence it is a fully owned step down subsidiary of your company.

PERFORMANCE OF SUBSIDIARIES

Indian Subsidiary

During the year under review, M/s. Ayurvedagram Heritage Wellness Centre Pvt. Ltd. has achieved a turnover of ` 721 Lakhs against a turnover of ` 571 Lakhs in the previous financial year clocking a sound growth of 26%. The Net EBITDA of the company is ` 241 Lakhs against ` 179 Lakhs in the previous year.

Overseas Subsidiaries

The combined turnover of overseas subsidiaries was ` 681 Lakhs as compared to ` 530 Lakhs in the previous year. Kerala Ayurveda Academy is currently offering certified courses in the state of Washington and California and also offers a distant learning course across USA.

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 intended to have a copy of Balance sheet and other financial statement of these Companies may write to Company Secretary. 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.

It shall also be made available on the website of the Company www.keralaayurveda.biz/investor-relationship under the "Investors" Tab.

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

During the financial year ended 31st March, 2016, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

DIVIDEND

In view of the accumulated losses of the past, your Directors are not in a position to recommend any dividend for the current year.

RESERVES

During the year the total reserves and surplus of the company has improved to ` 512 Lakhs from ` 339 Lakhs. During the year company earned a net surplus of ` 173 Lakhs.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements related and the date of this report.

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, 2016.

BOARD OF DIRECTORS

Appointment / Reappointment / Resignation of Directors

Pursuant to the provisions of Section 152 of the Companies Act, 2013, and in terms of Articles of Association of the Company, Ms. Katarzyna Zimpel, (DIN 00264084) Director of the company retires by rotation at ensuing Annual General Meeting and being eligible, offer herself for re-appointment. The Board of Directors recommends her re-appointment. Mr. M S Seetharaman (DIN 07109974), Additional Director has resigned with effect from 13th August, 2015. Mr. A. T. Jacob (DIN 01663815), Director has resigned with effect from 28th May, 2016. Mr. Kshiti Ranjan Das (DIN 07212449), was appointed as an Additional Independent Director on 6th November, 2015. He offers himself as Non Executive Independent Director in this Annual General Meeting. Mr. Gokul Patnaik (DIN 00027915) was appointed as an Additional Non Independent Director with effect from 28th May, 2016. He offers himself as Non Executive, Non independent Director in this Annual General Meeting.

Ms. Anusha Rajeswaran, Company Secretary has resigned w.e.f.30th June, 2015 and Ms. Itti Bhargava has joined as Company Secretary on 13th August, 2015. Due to some personal reasons Ms. Itti Bhargava, Company Secretary has resigned w.e.f. 11th June, 2016.

None of the directors are disqualified u/s 164(2) of the Companies Act, 2013.

MEETINGS OF THE BOARD OF DIRECTORS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings and four

Audit Committee Meetings were convened and held. The details of which 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 listing agreement with the Bombay Stock Exchange. During the financial year 2015-16, the Board of Directors of the Company, met 5 (five) times on 29th May, 2015, 13th August 2015, 29th September, 2015, 6th November, 2015 and 4th February, 2016.

Further, a separate Meeting of the Independent Directors of the Company was also held on 23rd December, 2015, whereat 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 AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT

Mr. Ronald George Pearce (DIN 00260166), Mr. M C Mohan (DIN 00633439), Mr. S Krishnamurthy (DIN 00140414), Mr. Kshiti Ranjan Das (DIN 07212449) are Independent Directors on the Board of the company.

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under Section 149 (6) of the Companies Act, 2013 and the Rules made thereunder.

DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

Details pursuant to section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as **Annexure 2**.

FORMAL ANNUAL 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 evaluation of the working of its Audit, Nomination & Remuneration 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

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company 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), based on the recommendations of the Nomination and Remuneration Committee.

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 (other than Managing/ Whole-Time Directors), Key-Executives and Senior Management and the Remuneration of other employees. The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure 3** and forms part of this Report.

AUDITORS:

1. Statutory Auditors

M/s. Biju George & Co, Chartered Accountants, Vellaringattu Towers, Thodupuzha 685 584 were appointed as Statutory Auditors of the company upto the conclusion of Annual General Meeting in 2019 subject to ratification at every Annual General Meeting. Company has received a letter, pursuant to Section 139 of the Companies Act, 2013, from M/s. Biju George & Co., Chartered Accountants, Vellaringattu Towers, Thodupuzha 685 584 confirming consent and their eligibility for acting as Statutory Auditors of the Company, if the appointment is ratified at the ensuing Annual General Meeting. The Board also recommends their appointment as Statutory Auditors for the ensuing financial year.

Statutory Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self explanatory and do not call for any further comments.

2. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed there under, M/s. SVJS & Associates were re-appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2016.

Secretarial Audit Report

A Secretarial Audit Report issued by the Secretarial Auditor in Form No. MR-3 is annexed with this Report as **Annexure 4**. The said report is self-explanatory and does not call for any comments. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark other than Disclosures related requirements in Director's Report in the Financial year 2014-15, which have been complied with in Financial year 2015-16.

3. Internal Audit & Controls

The Company appointed Mr. Mathew Joseph, Chartered Accountant, as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

4. Cost Auditors

In terms of the Cost Audit Order dated 31st December, 2014 notified by the Ministry of Corporate Affairs which exempted certain industries from the purview of Cost Audit, your Company is not required to get the cost audit done for financial year 2015-16.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In 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 under "Investors" Section.

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers any unethical and improper 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 of the Company 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. 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.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company's internal control systems are 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.

NSIC CRISIL RATING

Kerala Ayurveda Ltd has been awarded NSIC-CRISIL rating of SE 2A which is valid upto 24th March, 2017.

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

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CORPORATE SOCIAL RESPONSIBILITY

Your company always had a deep sense of responsibility towards the community. Company conducted medical camps and free medical checkups at various places. Diabetic Awareness campaigns were held to create awareness. Special Orientation training session conducted on Yoga Day to the public. Corporate Social Responsibility provisions of the Companies Act, 2013 are not applicable to the company.

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, 2016.

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 Audit Committee of the Board of Directors of the Company, comprises 4 (Four) Members, namely Mr. S. Krishnamurthy Chairman, Mr.M.C. Mohan, Mr.Kshiti Ranjan Das and Ms.Katarzyna Zimpel are the members of Audit Committee.

Majority of them being Independent Directors except Ms.Katarzyna Zimpel who is a Non-Independent Non-Executive Director. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

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, which forms part of this report.

EXTRACT OF ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT 9 as a part of this Annual Report as **Annexure 5** is annexed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has provided following loans and guarantees and made following investments pursuant to Section 186 of the Companies Act, 2013:

Name of the entity	Relation	Amt in Rupees Lakhs	Particulars of loans, guarantees and investments	Purpose for which the loan, guarantee and investment are proposed to be utilised
Nutraveda Inc., USA	100% subsidiary	1,159.80	Interest free Working Capital Loan given by KAL to subsidiary	To meet the working capital requirement
Ayurvedic Academy Inc., USA	100% subsidiary	1,162.26	Interest free Working Capital Loan given by KAL to subsidiary	To meet the working capital requirement
CMSKatra Holdings LLC, USA	81.67% subsidiary	828.67	Interest free Working Capital Loan given by KAL to subsidiary	To meet the working capital requirement
Nutraveda PTE Ltd, Singapore	100% subsidiary	0.44	Interest free Working Capital Loan given by KAL to subsidiary	To meet the working capital requirement

Current borrowings of the company are within the limits of Sec. 180(1) (c) of the Companies Act, 2013

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract 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 third proviso is attached as **Annexure 6** in Form AOC-2 that forms an integral part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had 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.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace as per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as 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** and 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 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 well-equipped and is engaged in various Research activities spanning across all areas of Ayurvedic Research. During this year Ghritham conversion into Soft Gelatin Capsules and Kashayam into Kashayam Tablets were carried out successfully and are actively engaged in extending the range of existing products.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

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 2016-2017 to BSE.

ACKNOWLEDGEMENTS

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

By order of the Board of Directors
For Kerala Ayurveda Limited

Sd/-

Ramesh Vangal
Chairman
(DIN 00064018)

Place: Bengaluru
Date :9th August, 2016

Annexure – 1
FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Amendment Rules, 2016.

**Statement Containing Salient features of the
financial statement of subsidiaries/ associate companies/ joint ventures**

Sl.No.	Name of Subsidiary Company	Date since when the subsidiary	Reporting period for the	Reporting currency and Exchange rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) After Tax	Proposed Dividend	% of share holding
1	Ayurvedagram Heritage Wellness Centre Pvt Ltd	29th March 2004	31st March, 2016	INR	225	239	873	873	0	721	74	60	14	---	74
2	Nutraveda Inc. USA (Formerly Ayu.Inc.)	4th May 2006	31st March 2016	US\$ 1US\$= 66.33	NIL	-639	992	992	56	39	1	0	1	0	100
3	Ayu Natural Medicine Clinic PS.	4th May 2006	31st March, 2016	US\$ 1US\$= 66.33	NIL	-820	0	0	0	0	-2	0	-2	---	100
4	Ayurvedic Academy Inc.	4th May 2006	31st March, 2016	US\$ 1US\$= 66.33	NIL	-1032	1485	1485		510	20		20	---	100
5	NutravedaPte.Ltd, Singapore	24th June 2009	31st March, 2016	SGD 1SGD=49.17	NIL		8	8	0	NA	NA	NA	NA	NA	100
6	CMS Katra Holding LLC, USA	9th October, 2007	31st March, 2016	US\$ 1US\$= 66.33	-307	1172	1172	3	3	0	0	0	0	0	81.67
7	CMS Katra Nursing LLC, USA	12th October, 2007	31st March, 2016	US\$ 1US\$= 66.33	6	-693	0	0	0	133	96	0	96	0	100

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					
1.	Latest audited Balance Sheet Date				
2.	Date on which the Associate or Joint Venture was associated or acquired				
3.	Shares of Associate/Joint Ventures held by the company on the year end				
	No.				
	Amount of Investment in Associates/Joint Venture				
	Extend of Holding%				
4.	Description of how there is significant influence				
5.	Reason why the associate/joint venture is not consolidated				
6.	Net worth attributable to shareholding as per latest audited Balance Sheet				
7.	Profit/Loss for the year				
	i.Considered in Consolidation				
	ii.Not Considered in Consolidation				

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B Sc, FCA

Proprietor
MEM REGN No. 206233

Bengaluru
28th May, 2016

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

Sd/ -

RAMESH VANGAL

Chairman

Sd/ -

ITTI BHARGAVA

Company Secretary

Sd/ -

Dr K ANILKUMAR

Executive Director

Sd/ -

ARVIND AGARWAL

Chief Financial Officer

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.

Sr.No	Requirements	Disclosure
1.	The ratio of remuneration of each director to the median remuneration of the employees for the financial year	Employee/WTD 1:12
2.	The percentage increase in remuneration of each Director, CFO, CS in the Financial Year	ED/WTD-0%. For CFO- 96% (including variable pay) For CS-0 %
3.	The percentage increase in the median remuneration of employees in the financial year	1.5%
4.	The number of permanent employees on the rolls of the Company	267
5	Average percentile increase already made in the salaries of employees other than the managerial personnel.	1.5% vs 5% increase in managerial personnel remuneration (before variable pay)
6.	Affirmation that the remuneration is as per the remuneration policy	Yes, it is confirmed

* No employee was in the receipt of remuneration of more than rupees One Crore and Two lakhs for the FY 2015-16 which in the aggregate

* No employee who was employed for part of the year was in the receipt of remuneration of more than Rupees Eight Lakhs and Fifty Thousand Per month for the FY 2015-16 as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

* Names of Top 10 employees in terms of remuneration drawn as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

All the below given employees are permanent and have no relatives working in the company, also do not hold any shares except Dr K Anilkumar who is holding 3.25% shares in the company

Employee Name	Designation	Remuneration including Variable pay	Qualification	Exp (Yrs)	Commencement of employment	Age (Yrs)	Last Employment Held
Arvind Agarwal	CFO	4,612,564	B.Com, ACA	21	4/1/2010	44	Katra Holding Pvt Ltd
J P Singh	COO	3,783,476	B.Sc, PGDBM	33	8/20/2012	57	Unilever Ltd.
Dr. K Anilkumar	ED	3,000,000	BAM	36	4/1/2008	56	NA
Vinod N Nair	GM	1,250,656	B.Sc, ADMS	20	6/6/2011	41	Dharitri Ayurveda Ltd.
K Balasubramanian	Sr. MGR	1,068,128	B.Sc, MBA	18	3/25/2010	40	Suraj Diamonds
Dr. Sarala Samuel	GM	982,304	M.Sc, PHD	27	5/16/1989	57	NA
Rajesh R Kurup	Sr. MGR	716,796	BA	15	8/25/2014	38	Atlas Airport Hotel
George KT	D MGR	662,456	BA, MBA, PGDCA	14	7/1/2012	39	Unitac Energy Solutions
Samson Sandeep	MGR	660,752	BA	14	4/1/2015	34	Herbalife India
Sreelal M.R	MGR	576,828	LLB, MBA	6	3/24/2014	31	Reliance Industries Ltd.

ANNEXURE 3

NOMINATION AND REMUNERATION POLICY OF KERALA AYURVEDA LIMITED

PREAMBLE:

Section 178 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement with Stock Exchanges 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 abovesaid requirements the Nomination and Remuneration Committee of the Board of Directors of Kerala Ayurveda Limited (KAL) hereinbelow 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 (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, cultural and 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 personal 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.

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.

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.4 .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. Increments will be effective from the date of reappointment in respect of Managerial Person and in respect of other employees of the Company.

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 you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you 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 employees 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 carries out by HODs of various departments.

D. Evaluation of Independent Directors and the Board

1. INDEPENDENT DIRECTORS:

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

- a) act objectively and constructively while exercising their duties;
- b) objectively evaluate Board's performance, rendering independent, unbiased opinion
- c) exercise their responsibilities in a bona fide manner in the interest of the company;
- d) strive to Attend and participate in the Meetings.
- e) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- f) refrain from any action that would lead to loss of his independence and inform the Board immediately when they lose their independence,
- g) assist the company in implementing the best corporate governance practices.
- h) moderate and arbitrate in the interest of the company as a whole, insituations 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.

E. DISCLOSURE OF THIS POLICY

This Policy shall be uploaded on the Company's website for public information and disclose the remuneration policy and the evaluation criteria in its Annual Report.

F. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

G. REVIEW OF THIS POLICY

The Nomination and Remuneration Committee will review this Policy, as appropriate; to ensure the effectiveness of this Policy and also compliance with revised Clause 49 of the Equity Listing Agreement and Companies Act, 2013.

The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

ANNEXURE - 4
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016

[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 **M/s. 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 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 31.03.2016 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 31.03.2016 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 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (to the extent applicable);
 - (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);
- (vi) As informed to us, the following other laws are specifically applicable to the Company:
 1. The Drugs and Cosmetics Act, 1940
 2. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954

3. The Medicinal and Toilet Preparations (Excise Duties) Act, 1955
4. Food Safety And Standards Act, 2006
5. The Indian Copyright Act, 1957
6. The Trade Marks Act, 1999
7. Biological Diversity Act, 2002 in respect of which The Ayurveda Medical Association of India has filed a case with the Hon'ble High Court of Kerala with regard to the applicability of Rule 16 of the Biological Diversity Rules, 2004, pertaining to restriction on activities related to access to biological resources, which is pending hearing.

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 Agreements entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

We have noted certain deficiencies with regard to disclosures in the Directors' Report for the Financial Year 2014-15. The management represented that the same were rectified during the year 2015-16.

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. 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. Merger / amalgamation / reconstruction etc.;
- iv. Foreign technical collaborations.

A Resolution was passed under Section 180 (1) (c) of the Companies Act, 2013, at its Annual General Meeting held on 29.09.2015 authorizing exercise of borrowing powers exceeding the aggregate of paid up capital and free reserves upto an overall limit of ` 60 Crores.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For SVJS & Associates
Company Secretaries
Sd/-

CS.Vincent P.D.
Partner

Kochi
06.08.2016

CP No:7940 FCS: 3067

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 practices and process 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.
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 2016 but before 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.

For **SVJS & Associates**
Company Secretaries
Sd/-

Kochi
06.08.2016

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

ANNEXURE - 5
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(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	Company Limited by Shares and Indian Non-Government Company
5.	Address of the Registered office & contact details	VII/415, Nedumbassery Athani P O, Aluva 683585 +91-484-2476301 to 04 (4 lines)
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Integrated Enterprises (I) Ltd Kences Towers, No.1 Ramakrishna Street T Nagar, Chennai-600 017 Ph:044-28140801-03 Fax:044-28142479 Email:corpserv@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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ayurvedic Medicine	21003	78%
2	Health Care Services	86901	22%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL	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	U74140KA2003PT C031511	Subsidiary	74%	2(87)
3	Nutraveda Inc, USA	NA	Subsidiary	100%	2(87)
4	Ayu Natural Medicine Clinic PS, USA	NA	Subsidiary	100%	2(87)
5	Ayurvedic Academy Inc., USA	NA	Subsidiary	100%	2(87)
6	CMS Katra Holdings LLC, USA	NA	Subsidiary	81.67%	2(87)
7	CMS Katra Nursing LLC, USA	NA	Subsidiary	100%	2(87)
8	Nutraveda Pte Ltd, Singapore	NA	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category of Shareholder		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
(1)	Indian									
A	Individual/Hindu Undivided Family									
B	Central Government									
C	State Government									
D	Bodies Corporate									
e	Financial Institutions/Banks									
F	Any other(specify)									
	SUB TOTAL A(1)	0	0	0	0	0	0	0	0	
(2)	Foreign									
A	Individual (Non resident r /foreign)									
B	Bodies corporate	6493435	0	6493435	61.52	6493435	0	6493435	61.52	
C	Institutions									
D	Qualified Foreign Investor									
E	Any other(specify)									
	SUB TOTAL A(2)	6493435	0	6493435	61.52	6493435	0	6493435	61.52	0
	Total Shareholding of promoter and Promoter Group(A)=A(1)+A(2)	6493435	0	6493435	61.52	6493435	0	6493435	61.52	0
B	Public Shareholding									
(1)	Institutions									
A	Mutual funds/UTI	0	2976	2976	0.03	0	2976	2976	0.03	
B	Financial Institutions/Banks									
C	Central Government									
D	State Government(s)									
E	Venture Capital Funds									
F	Insurance Companies									
G	Foreign Institutional Investors									
H	Foreign Venture Capital Investors									
I	Qualified Foreign Investor									

J	Any other(specify)	0		0						
	SUB TOTAL B(1)	0	2976	2976	0.03	0	2976	2976	0.03	0
(2)	Non-Institutions	0		0						
A	Bodies Corporate(Indian/ foreign/Overseas)	334904	8986	343890	3.26	286304	8986	295290	2.8	
B	Individuals(Resident/NRI/ Foreign National)	0		0						
(i)	Individual sharehodlers holding Nominal share Capital upto Rs.1 Lakh	1412147	253669	1665816	15.78	1738584	250751	1989335	18.85	
(ii)	Individual sharehodlers holding Nominal share Capital above Rs.1 Lakh	1370554	656841	2027395	19.21	1060760	656841	1717601	16.27	
C	Any other	22158	0	22158	0.21	57033	0	57033	0.54	
	SUB TOTAL B(2)	3139763	919496	4059259	38.46	3142681	916578	4059259	38.46	0
	Total Public Share Holding (B)=B(1)+B(2)	3139763	922472	4062235	38.48	3142681	919554	4062235	38.48	0
	TOTAL (A)+(B)	0		0						
C	Shares held by Custodians and against which Depository Receipts have been issued	0		0						
	GRAND TOTAL (A)+(B)+(C)	9633198	922472	10555670	100	9636116	919554	10555670	100	0

b) Shareholding Promoter:-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		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 HOLDINGS LTD, MAURITIUS	6493435	61.52	61.93	6493435	61.52	61.93	NIL

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

Sl	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
1	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.)	No change			
	At the end of the year	No Change			

**d) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SL NO	REM1	OP_BAL	OP_PER	DIFF.	DIFF_PER	CL_BAL	CL_PER	Reasons for diff.
1	SI No.1 Name:ANILKUMAR KUNJUPANICKER							
	PAN :AGFPK6227J							
	Opening Balance as on 01/04/2015	343579	3.255					
	08/01/2016			-2000	-0.019	341579	3.236	
	Closing Balance as on 31/03/2016					341579	3.236	Sale
2	SI No.2 Name:EQUITY INTELLIGENCE INDIA PRIVATE LIMITED							
	PAN :AABCE2101N							
	Opening Balance as on 01/04/2015	172280	1.632					
	27/11/2015			-35000	-0.332	137280	1.301	
	04/12/2015			-37280	-0.353	100000	0.947	
	08/01/2016			-25000	-0.237	75000	0.711	
	Closing Balance as on 31/03/2016					75000	0.711	Sale
3	SI No.3 Name:K.SWAPNA							
	PAN :AMXPk4845Q							
	Opening Balance as on 01/04/2015	102000	0.966					
	Closing Balance as on 31/03/2016					102000	0.966	NA
4	SI No.4 Name:SAILESH VIKRAMSINH THAKKER							
	PAN :AAAPT3100G							
	Opening Balance as on 01/04/2015	85780	0.813					
	05/06/2015			220	0.002	86000	0.815	
	10/07/2015			-7200	-0.068	78800	0.747	
	17/07/2015			-2800	-0.027	76000	0.720	
	07/08/2015			-7000	-0.066	69000	0.654	
	14/08/2015			7100	0.067	76100	0.721	
	21/08/2015			1000	0.009	77100	0.730	
	28/08/2015			445	0.004	77545	0.735	
	25/09/2015			1000	0.009	78545	0.744	
	09/10/2015			-1000	-0.009	77545	0.735	
	25/12/2015			-2545	-0.024	75000	0.711	
	29/01/2016			-500	-0.005	74500	0.706	
	05/02/2016			-1500	-0.014	73000	0.692	
	19/02/2016			3000	0.028	76000	0.720	
	04/03/2016			400	0.004	76400	0.724	
	11/03/2016			-400	-0.004	76000	0.720	
	Closing Balance as on 31/03/2016					76000	0.720	Sale and Purchase

5	SI No.5 Name: RAKESH KUMAR JAIN							
	PAN :AAFPJ6867K							
	Opening Balance as on 01/04/2015	81461	0.772					
	10/04/2015			-15000	-0.142	66461	0.630	
	17/04/2015			15000	0.142	81461	0.772	
	03/07/2015			-461	-0.004	81000	0.767	
	10/07/2015			-1000	-0.009	80000	0.758	
	17/07/2015			-2000	-0.019	78000	0.739	
	07/08/2015			-2000	-0.019	76000	0.720	
	13/11/2015			-2000	-0.019	74000	0.701	
	27/11/2015			-2000	-0.019	72000	0.682	
	15/01/2016			-4000	-0.038	68000	0.644	
	Closing Balance as on 31/03/2016					68000	0.644	Sale and purchase
6	SI No.6 Name:KRISHNA KODALI							
	PAN :ADFPK4034L							
	Opening Balance as on 01/04/2015	75000	0.711					
	Closing Balance as on 31/03/2016					75000	0.711	NA
7	SI No.7 Name:VIPUL PRAHALAD BHAI BHAGAT							
	PAN :ALYPB1898G							
	Opening Balance as on 22/05/2015	11000	0.104					
	07/08/2015			115551	1.095	126551	1.199	
	21/08/2015			-100	-0.001	126451	1.198	
	04/09/2015			-3831	-0.036	122620	1.162	
	11/09/2015			3783	0.036	126403	1.197	
	18/09/2015			-550	-0.005	125853	1.192	
	09/10/2015			-100	-0.001	125753	1.191	
	16/10/2015			-250	-0.002	125503	1.189	
	23/10/2015			-743	-0.007	124760	1.182	
	30/10/2015			-1804	-0.017	122956	1.165	
	13/11/2015			698	0.007	123654	1.171	
	20/11/2015			-9	0.000	123645	1.171	
	27/11/2015			101	0.001	123746	1.172	
	04/12/2015			100	0.001	123846	1.173	
	08/01/2016			-34798	-0.330	89048	0.844	
	15/01/2016			8046	0.076	97094	0.920	
	22/01/2016			18856	0.179	115950	1.098	
	29/01/2016			-447	-0.004	115503	1.094	
	12/02/2016			1321	0.013	116824	1.107	
	19/02/2016			-42760	-0.405	74064	0.702	
	26/02/2016			-100	-0.001	73964	0.701	
	04/03/2016			-2337	-0.022	71627	0.679	
	18/03/2016			-4000	-0.038	67627	0.641	
	31/03/2016			555	0.005	68182	0.646	
	Closing Balance as on 31/03/2016					68182	0.646	Sale & Purchase

8	SI No.8 Name: VIJAYAN A							
	PAN :ABKPV5473B							
	Opening Balance as on 01/04/2015	38172	0.362					
	24/04/2015			70	0.001	38242	0.362	
	12/06/2015			58	0.001	38300	0.363	
	30/09/2015			-300	-0.003	38000	0.360	
	23/10/2015			-200	-0.002	37800	0.358	
	13/11/2015			200	0.002	38000	0.360	
	22/01/2016			100	0.001	38100	0.361	
	29/01/2016			400	0.004	38500	0.365	
	05/02/2016			500	0.005	39000	0.369	
	12/02/2016			-7700	-0.073	31300	0.297	
	19/02/2016			-10000	-0.095	21300	0.202	
	04/03/2016			700	0.007	22000	0.208	
	25/03/2016			1000	0.009	23000	0.218	
	Closing Balance as on 31/03/2016					23000	0.218	Sale & purchase
9	SI No.9 Name: RAMESHWAR NATH PANDEY							
	PAN :AEKPP5636F							
	Opening Balance as on 01/04/2015	27296	0.259					
	10/04/2015			2703	0.026	29999	0.284	
	17/04/2015			547	0.005	30546	0.289	
	26/06/2015			1000	0.009	31546	0.299	
	03/07/2015			1490	0.014	33036	0.313	
	10/07/2015			3600	0.034	36636	0.347	
	04/12/2015			1150	0.011	37786	0.358	
	11/12/2015			2189	0.021	39975	0.379	
	05/02/2016			-3300	-0.031	36675	0.347	
	12/02/2016			3300	0.031	39975	0.379	
	26/02/2016			1000	0.009	40975	0.388	
	Closing Balance as on 31/03/2016					40975	0.388	Sale & purchase
10	SI No.10 Name: UNNIKRISHNAN E R							
	PAN :AALPE1704E							
	Opening Balance as on 01/04/2015	38669	0.366					
	10/07/2015			-1000	-0.009	37669	0.357	
	17/07/2015			-669	-0.006	37000	0.351	
	31/07/2015			-500	-0.005	36500	0.346	
	07/08/2015			-1500	-0.014	35000	0.332	
	11/09/2015			500	0.005	35500	0.336	
	18/09/2015			150	0.001	35650	0.338	
	25/09/2015			-500	-0.005	35150	0.333	
	09/10/2015			100	0.001	35250	0.334	
	04/12/2015			-600	-0.006	34650	0.328	
	11/12/2015			-200	-0.002	34450	0.326	
	08/01/2016			-500	-0.005	33950	0.322	
	05/02/2016			-150	-0.001	33800	0.320	
	12/02/2016			-200	-0.002	33600	0.318	
	Closing Balance as on 31/03/2016					33600	0.318	Sale and purchase

e) Shareholding of Directors and Key Managerial Personnel:

S.No.	REM1	OP_BAL	OP_P ER	DIFF	DIFF_PE R	CL_BAL	CL_PE R	Reason s for diff.
	SI No.1 Name:ANILKUMAR KUNJUPANICKER							
	PAN :AGFPK6227J							
	Opening Balance as on 01/04/2015	343579	3.255					
	08/01/2016			2000	-0.019	341579	3.236	
	Closing Balance as on 31/03/2016					341579	3.236	Sale

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment. In Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1277.65	4991.65	-	6269.30
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	1277.65	4991.65	-	6269.30
Change in Indebtedness during the financial year				
* Addition	176.01	99.00	-	275.01
* Reduction	2.29	127.64	-	129.93
Net Change	173.72	(28.64)	-	145.08
Indebtedness at the end of the financial year				
i) Principal Amount	1451.37	4963.01	-	6414.38
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	1451.37	4963.01	-	6414.38

VI) **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Dr K Anilkumar, ED	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000/-	30,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	30,00,000/-	30,00,000/-
	Ceiling as per the Act	Within Limit*	Within Limit*

* Ceiling as per Schedule V of the companies Act 2013 is up to 42 Lakhs per Annum

B. Remuneration to other directors.

SN	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. S Krishnamurthy	Mr. M S Seetharaman	Mr. Kshiti Ranjan Das	
1	Independent Directors				
	Fee for attending board/committee meetings	1,70,000	35,000	65,000	2,70,000
	Commission				
	Others, please specify				
	Total (1)	1,70,000	35,000	65,000	2,70,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)	0		0	0
	Total (B)=(1+2)	1,70,000	35,000	65,000	2,70,000
	Total Managerial Remuneration				
	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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CS	CS	CFO	Total
1	Gross salary in `	Anusha Rajeswaran	Itti Bhargava	Arvind Agarwal	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,14,300	3,91,667	46,125,64	51,185,31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
5	Others, please specify		-	-	-
	Total	1,14,300	3,91,667	46,125,64	51,185,31

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties /punishment/compounding of offences under the companies Act for the year ending 31st March, 2016 except for late filing fees paid for delayed e filing of form amounting to ` .1200/-

**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 arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Ayurvedagram Heritage Wellness Centre Pvt Ltd, Subsidiary company
b)	Nature of contracts/arrangements/transaction	Sale of Ayurvedic Medicines
c)	Duration of the contracts/arrangements/transaction	15.12.2014 to 14.12.2017
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	15% discount on MRP of Company Products
e)	Justification for entering into such contracts or arrangements or transactions	Being a subsidiary of the company, KAL is offering such discount.
f)	Date of approval by the Board	6 th August, 2014
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	29 th September. 2014
i)	Total Value of Transaction during the year	` .32.86 Lakhs

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

Amount in ` Lakhs

Sl. No	Name of the Related Party Nature of contracts/arrangement s/transaction	Nature of relationship	Duration of the contracts/ar rangements / transaction	Salient terms of the contracts or arrangements or transaction including the value for one year	Date of approval by the Board/Audit committee	Amount paid as advance
1	Purchase of Raw Materials- All Season Herbs Pvt Ltd	Directors' relative	Need Based	22.60	29 th May 2015	NIL
2	Sale of Medicines- Nutraveda Inc	Subsidiary	Need Based	1.74	29 th May 2015	NIL
3	Receiving services By Ayurvedagram Heritage Wellness Centre P Ltd	Subsidiary	Need Based	1.96	29 th May 2015	NIL
4	Rendering of services- Ayurvedic Academy Inc	Subsidiary	Need Based	3.05	29 th May 2015	NIL
5	Rendering of services- Mason & Summers Leisure P Ltd	Common Director	Need Based	4.02	29 th May 2015	NIL

6	Reimbursement of Expenses to/by KAL Subsidiaries	Subsidiary	Need Based	29.41	29 th May 2015	NIL
7	Reimbursement of Expenses By/to Katra Phytochem India Pvt Ltd	Common Director	Need Based	29.42	29 th May 2015	NIL
8	Lending/Advances - to KAL wholly owned Subsidiaries	Subsidiary	Need Based	54.54	29 th May 2015	NIL
9	Borrowings (including loans)- from Katra Holding Pvt Ltd	Common Director	Need Based	99.00	29 th May 2015	NIL
10	Repayment of Loans-to Katra Holding Pvt Ltd	Common Director	Need Based	126.00	29 th May, 2015	NIL
11	Managerial Remuneration- Dr K Anilkumar, Director	Whole Time Director	3 year from 28 th June,2015	30.00	29 th May, 2015	NIL
12	Remuneration paid to Mr Arvind Agarwal, CFO	CFO	As per employment agreement	46.13	24 th May, 2014	NIL
13	Remuneration paid to Ms Itti Bhargava, Company Secretary w.e.f 13/08/2015	CS	As per employment agreement	3.92	13 th August, 2015	NIL
14	Remuneration paid to Ms Anusha Rajeswaran	CS	As per employment agreement	1.14	10 th February 2015	NIL

By order of the Board of Directors
For Kerala Ayurveda Limited

Sd/-

Ramesh Vangal
Chairman
(DIN 00064018)

Place: Bengaluru
Date :9th August, 2016

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 31st March, 2016.

A. CONSERVATION OF ENERGY

- I. The Steps taken or Impact on conservation of energy - NIL
- II. The Steps taken By the Company for utilizing alternate source of energy - NIL
- III. The Capital Investment on energy conservation equipments - NIL

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- I. The efforts made towards technology absorption
All developments were done indigenously
- II. The benefits derived like product improvement, cost reduction, product development or import substitution
During the year for ease of usage, Kwath tablets in container were converted into Blister pack and converted Ghritham in soft gel capsule for ease of use.
- III. Details of imported technology
During the year, company has not imported any technology. All developments were done indigenously.
- IV. The expenditure incurred on research and development

a) Capital	NIL
b) Deferred Rev Exp	` 98.42 Lacs
c) Revenue Expenditure	` 2.34 Lacs
d) Total	` 100.77Lacs
e) Total R&D expenditure as a % of turnover	3.09%

C. FOREIGN EXCHANGE EARNINGS & OUTGO

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

Foreign Exchange earnings & outgo	Current year
Earnings	` 67.52 Lacs
Out go	NIL

By order of the Board of Directors
For Kerala Ayurveda Limited

Sd/-

Ramesh Vangal
Chairman
(DIN 00064018)

Place: Bengaluru
Date :9th August, 2016

REPORT ON CORPORATE GOVERNANCE

As prescribed by The Securities and Exchange Board Of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Kerala Ayurveda Limited (KAL) believes that sound Corporate Governance is inevitable for improving efficiency and growth as well as enhancing investor confidence. Company has sound corporate practices and conscience, openness, fairness, professionalism and accountability which led it to the great success. The Company is adhering strictly to regulatory frameworks. Honesty, transparency and intensive communication with stakeholders are integral part of our policy.

2. BOARD OF DIRECTORS

a) Composition

The KAL Board comprises of Executive, Non-Executive and Independent Directors. The Chairman of the Company is a Non-Executive Promoter Director. The composition of the Board of Directors as on 31st March 2016 is in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. All the Directors have informed the company periodically about their Directorship(s) and Membership on the Board Committees of other companies. As per disclosure received from Director(s), none of the directors holds membership in more than ten (10) Committees and Chairmanship in more than (5) committees.

The Board of Directors, overviews the performance of the Company, approves and reviews policies/strategies and evaluates management performance. The composition of the Board of Directors, Board Meetings held during the year under review and other relevant details are given below:

b) Attendance

S. No.	Directors	Nature of Directorship	No. of Board Meetings held	No. of Board meetings attended	Attendance at last AGM
1	Mr. Ramesh Vangal	Non-Executive Chairman/ Promoter Director	5	5	Yes
2	Mr. Ronald George Pearce	Non-Executive Vice-Chairman /Independent Director	5	1	No
3	Dr. K Anilkumar	Whole Time/ Executive /Promoter Director	5	5	Yes
4	Mr. M C Mohan	Non-Executive/ Independent Director	5	1	No
5	Mr. SKrishnamurthy	Non-Executive/ Independent Director	5	5	Yes
6	Ms. Katarzyna Zimpel #	Non-Executive/ Promoter Director	5	5	Yes
7	Mr. A T Jacob	Non-Executive/Promoter Director	5	5	Yes
8	Mr. M.S. Seetharaman	Non-Executive/Independent Director	5*	1	No
9.	Mr. Kshiti Ranjan Das	Non-Executive/Independent Director	5**	2	No

attended by Alternate Director Mr. Anand Subramanian.

*one meeting took place during his tenure.

**two meetings took place during his tenure.

c) Meetings of the Board

S.No.	Date of Board Meeting	Total Strength of Board	No of Directors Present
1	29th May, 2015	8	6
2	13th August, 2015	8	7
3	29th September, 2015	8	5
4	6th November, 2015	8	6
5	4th February, 2016	8	6

d) Other Directorships

Name(s) of Directors	No. of directorship in other Boards (other than foreign & sec 8 co)	No. of Chairmanship in other Boards (Other than foreign & sec 8 co)	No. of membership in other Board Committees (Audit committee & stakeholder' relationship committee)	No. of Chairmanship in other Board Committees (Audit committee & stakeholder' relationship committee)
Mr. Ramesh Vangal	12	0	0	0
Mr. Ronald George Pearce	1	0	0	0
Dr. K Anilkumar	2	0	0	0
Mr. M C Mohan	NIL	0	0	0
Mr. S Krishnamurthy	3	0	8	3
Ms. Katarzyna Zimpel	1	0	0	0
Mr. A T Jacob	1	0	0	0
Mr. Anand Subramanian	14	0	0	0
Mr.Kshiti Ranjan Das	0	0	0	0

e) 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, its Promoters, its Directors, its senior management or its subsidiaries.

Mr. Ramesh Vangal, Chairman and Ms. Katarzyna Zimpel, Director are related Directors. Apart from this there are no relationships between directors inter-se.

f) Maximum tenure of Independent Directors

The Independent Directors are appointed for a period of 5 (Five) years which is well within the maximum tenure of Independent Directors provided under the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

g) Performance evaluation of Independent Directors

The Nomination and Remuneration Committee of the Board laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board.

The evaluation of all directors (including independent directors) was done by the entire Board of Directors (excluding the director being evaluated).

Criteria: 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 attendance 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.

h) Formal letter of appointment to Independent Directors

The Company has issued letter of appointment to all the independent directors in the manner as provided under the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company at www.keralaayurveda.biz under the "Investors" Section.

i) Separate Meetings of the Independent Directors

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 23rd December, 2015, at Chennai, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 (3&4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were set out as the

Agenda:

- (1) Review of performance of Non-Independent Directors and the Board as a whole;
- (2) Review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (3) Assessment of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

j) Familiarization Programme for Independent Directors

All Independent Directors are familiarized with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. from time to time.

The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making.

The detail of such familiarization programme is given below.

Number of programmes attended by Independent Directors (During the year and on cumulative basis till date)	One programme on 6 th November, 2016
Number of hours spent by Independent Directors in such programmes (during the year and	4 hours

This is available on the company's website www.keralaayurveda.biz/investor-relationships.

k) CODE OF CONDUCT

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics.

The Board has adopted Code of Conduct for Board Members and Senior Management Personnel. The Code was revised by the Board of Directors to suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013.

l) COMPANY'S POLICY ON PROHIBITION OF 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.

3. AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee is in strict adherence with the requirements specified in Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the Audit Committee inter alia include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration, terms of appointment of auditors of the company and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
3. Reviewing, with the management, the annual financial statements and auditor's report there on before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies & practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
 - h. Examination of the financial statement and the auditors' report thereon;
 - i. Monitoring the end use of funds raised through public offers and related matters.
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
6. Review and monitor the auditor's independence & performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the company with related parties;

8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; if any,
17. To review the functioning of the Whistle Blower mechanism;
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
19. Reviewing any other matter which may be specified as role of the Audit Committee under the amendments, if any, from time to time, to the listing agreement, Companies Act, 2013 and other statute.

Composition and Attendance

The Audit Committee comprised of four (4) Directors viz. Mr. S. Krishnamurthy, Mr. M C Mohan, Ms. Katarzyna Zimpel and Mr. M.S.Seetharaman. Mr. S Krishnamurthy is the Chairman of the Committee. Mr.M.S.Seetharaman resigned on 13th August, 2015. Mr.Kshiti Ranjan Das was appointed as member on 6th November, 2015. Two-Third of the Members of this committee are independent and Chairman is an Independent Director. During the Financial Year under review, four Audit Committee Meetings have been held on the following dates: 1)29th May,2015 2)13th August,2015 3)6th November, 2015 and 4) 4th February, 2016. The particulars of Meetings attended by the members of the Audit Committee are given below;

Name of the Director	No. of Meetings	No. of Meetings attended
Mr. S Krishnamurthy , Chairman	4	4
Mr. M C Mohan	4	1
Ms. Katarzyna Zimpel *	4	4
Mr.M.S.Seetharaman**	4	1
Mr. Kshiti Ranjan Das***	4	2

* Attended by Alternate Director Mr. Anand Subramanian

** During his tenure only 2 meeting took place

*** During his tenure only 2 meeting took place as he was appointed on 6th November 2015

4. STAKEHOLDER'S RELATIONSHIP COMMITTEE

Terms of reference of Stakeholder's Relationship Committee has been revised as per guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 that interalia include looking into the transfer of shares, security holders grievances like non-receipt of balance sheet, non-receipt of declared dividends etc, issue of duplicate shares, exchange of new share certificates, recording of dematerialization/ rematerialisation of shares and related matters.

Composition and Attendance

Name of Director	Designation	No. of Meetings	No. of Meetings attended
Mr. A T Jacob**	Chairman	14	14
Dr. K Anilkumar	Member	14	14
Mr. S. Krishnamurthy*	Member	14	1

*appointed on 6th November, 2015, during his tenure 4 meeting held

**resigned w.e.f.28th May, 2016 and Mr. Gokul Patnaik was appointed as Chairman of the Committee who is a Non Executive Director.

During the period under review, the complaint status is as follows.

1.	Number of shareholders complaints received so far	1
2.	Number of complaints not solved to the satisfaction of shareholders	NIL
3.	Number of pending complaints	NIL

The Minutes of the Stakeholders Relationship Committee were noted by the Board at the subsequent Board Meetings.

Arvind Agarwal, Chief Financial Officer is the Compliance Officer of the Company. In terms of Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has an exclusive E-mail ID viz. investor@keralaayurveda.biz for registering investor complaints/grievances, if any and the same will be under the control of Compliance Officer of the Company. The Company has displayed the said e-mail ID on its website for the use of investors.

5. CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee at present comprises of 3 Directors viz. Mr. Ramesh Vangal, Mr. S. Krishnamurthy and Ms. Katarzyna Zimpel. The committee reviews good corporate governance practices followed by the Company so as to ensure that these practices reflect the latest developments in the corporate arena.

6. NOMINATION & REMUNERATION COMMITTEE

Terms of reference of the Nomination and Remuneration Committee are as per the Companies Act, 2013 and in accordance with the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia includes

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors and removal.

Composition and attendance

The composition of Nomination and Remuneration Committee is as follows:

Serial No	Names	Designation	No of meetings attended
1.	Mr. S. Krishnamurthy	Chairman	3
2.	Mr. Ramesh Vangal	Member	3
3.	Mr. M.S. Seetharaman *	Member	1
4.	Mr. Kshiti Ranjan Das **	Member	1

* Mr. M.S. Seetharaman resigned on 13th August, 2015. ** Mr. Kshiti Ranjan Das joined on 6th November 2015.

Half of the members of the committee are Independent directors and the Chairman is also an independent director. During the financial year three (3) meetings of the Nomination and Remuneration committee was held on 1) 29th May, 2015, 2) 13th August 2015 and 6th November, 2015. All directors of the committee are non-executive directors.

Remuneration to Directors

The Non-Executive Independent Directors are being paid sitting fees of ` 15,000/- for every Board Meeting attended by them and sitting fees of ` 10,000/- for every Committee Meeting except the Meeting of the Stakeholders' Relationship Committee, fees of which is ` 5,000/-.

Two (2) independent directors i.e. Mr. M.C. Mohan and Mr. Ronald George Pearce have voluntarily relinquish the right of sitting fees.

The details of the remuneration package/sitting fees provided to the Directors during the financial year 2015-16 is as follows:

Executive Directors

(In Rupees)

Name	Basic Salary	Special Allowance & HRA	Contribution to Statutory funds	Total
Dr.K Anilkumar, Executive Director	15,00,000	14,55,000	45,000	30,00,000

Non-Executive Directors

Director	No. of Board Meetings attended	No. of Committee Meetings attended	Amount of Sitting Fees paid (` .)
M r. Ram esh Vangal	5	3	0
M r.Ronald George Pearce (Independent Director)	1	0	0
M r. S Krishnam urthy (Independent Director)	5	8	170000
M r. M C M ohan (Independent Director)	1	1	0
M r. A T Jacob	5	14	0
M r. Anand Subramanian	5	4	0
M r.M .S.Seetharaman	1	2	35000
Kshiti Ranjan Das (Independent Director)	2	2	65,000

Meeting of independent Directors which was held in Chennai is also included.

Details of shares of the Company held by Directors of the Company as on 31st March 2016 are given below:

Name	No. of Shares	% to Paid up Capital
Dr. K. Anilkumar	342129	3.25

No other directors of the company hold shares.

Remuneration policy

Your Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company www.keralaayurveda.biz in the "Investors" section and also forms part of Directors' Report.

7. GENERAL BODY MEETINGS**a) Annual General Meetings**

The details of Annual General Meetings held during last 3 years are given below:

Financial Year	Day & Date	Time	Venue	No. of Special resolutions passed at AGM
2012-13	Friday 27 th September, 2013	2.30 P.M.	Green Park Auditorium, NH 47, Desom, Aluva-683103	Nil
2013-14	Monday 29 th September, 2014	2.30 P.M.	Green Park Auditorium, NH 47, Desom, Aluva-683103	3
2014-15	Tuesday, 29 th September, 2015	4.30 P.M.	Green Park Auditorium, NH 47, Desom, Aluva-683103	1

b) Special Resolutions passed at last 3 AGMs

Special Resolutions for the following matters were passed at above referred AGMs by the shareholders with requisite majority:

SL.	Date	Subject matter of Special resolution.
01	29th September, 2014	<ul style="list-style-type: none"> ● Entering into agreement with M/s. Ayurvedagram for the sale of medicines. ● Increase in borrowing limit to ` 50 crores ● Increase in Investment limit upto ` 32 crores
02	29th September, 2015	Increase in Borrowing limits to ` 60 crores

c) Postal Ballot:

SL	Date	Subject matter of Special resolution
01	7 th December, 2015	<ul style="list-style-type: none"> ● Increase in Investment limit upto Rs.50 crores .The voting was through Postal Ballot and Remote e-voting system. CS Sivakumar, Practising Company Secretary was the scrutinizer for this.

Details of voting pattern:

SL.	Particulars	No.
1.	a)Total postal/electronic ballot forms received	49
2.	b)Total number of votes casted	6935554
3.	c)Less: invalid no. of votes casted	110
4.	d) Valid no. of votes casted(Net)	6935444
5.	e) Total no of votes with assent for the Resolution	6857265
6.	e) Total no of votes with dissent for the Resolution	78179

8. SUBSIDIARY

The Company has 7 Subsidiary Companies, out of which 6 are incorporated outside India. In order to adhere to the specific requirement to formulate a policy, the Board, in its Meeting has expressly adopted the definition of "Material Subsidiary" as given under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a Policy Statement for determining 'Material' Subsidiaries of the Company. The Policy is disclosed on the company's website www.keralaayurveda.biz/investor-relationships.

The minutes of the Board meetings of the Indian unlisted subsidiary company are placed at the Board meeting of the Company.

The Company has also formulated the policy on Dealing with Related Party Transactions. The Policy is disclosed on the company's website www.keralaayurveda.biz/investor-relationships.

9. 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.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.
- As per regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Executive Director and CFO of the company has certified to the Board on their review of financial statements and cash flow statements for the Financial Year ended 31st March 2016 in the form prescribed by said regulation.
- No penalty levied by Customs and Central Excise.
- As required under regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. the Directors and the Senior Management have confirmed compliance with the CODE OF CONDUCT & ETHICS for the financial year ended 31st March 2016.
- The Company has adopted VIGIL MECHANISM / WHISTLE BLOWER POLICY as per regulation 22 and company will also give direct access to the Chairperson of the Audit Committee in case of Whistle Blower Policy. It is also affirmed that no personnel has been denied access to the Audit Committee.

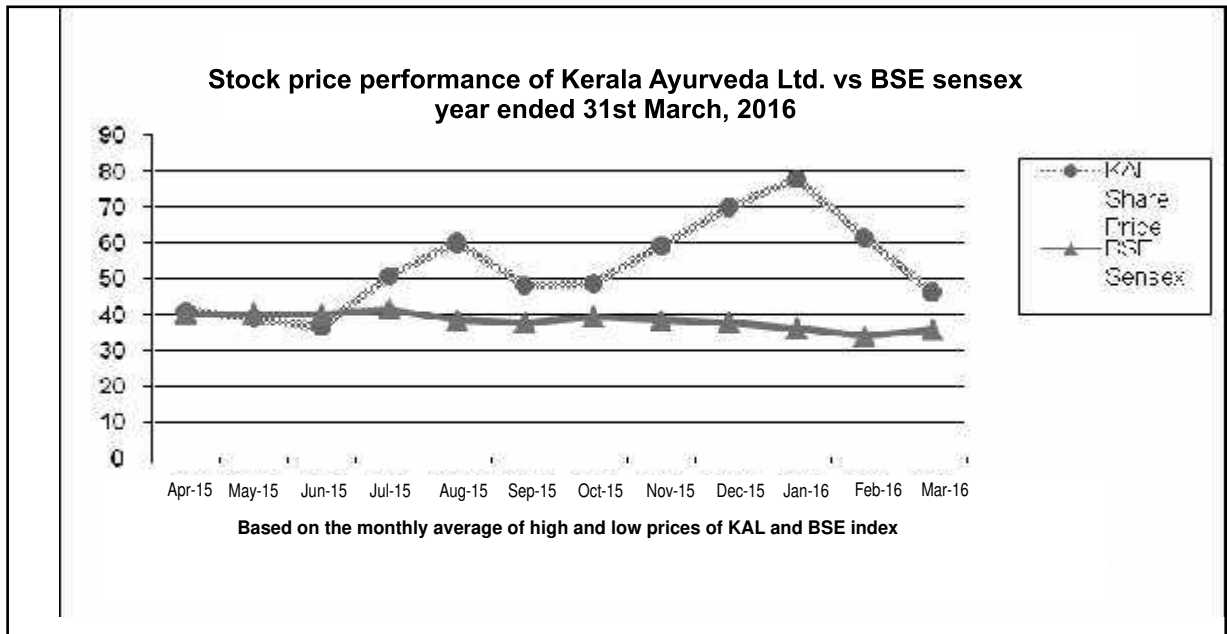
10. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the company are being sent to the Stock Exchanges immediately after the approval of the Board. These results are published in the news papers viz. Business Line (English daily) as well as in Deepika (Malayalam daily), within forty-eight hours of approval thereof. These are also displayed on the Company's website 'www.keralaayurveda.biz' shortly after its submission to the Stock Exchanges. Company also displays official new release on its website, if any. Thus, the same are not being sent to the shareholders separately and company has not made any presentation to the Institutional Investors or Analysts during the year under review. All data relating to quarterly financial results, shareholding pattern, corporate announcement etc. are also available at the website 'www.corpfilling.co.in' being jointly maintained by BSE & NSE.

11. GENERAL SHAREHOLDER INFORMATION:

- | | | |
|------|--|--|
| i) | Annual General Meeting
Day, Date and Time
Venue | - Thursday, 29th September, 2016 at 3:30 PM
- Green Park Auditorium, NH47, Desom, Aluva-683103. |
| ii) | Financial year | - 1st April, 2015 to 31st March, 2016 |
| iii) | Financial Reporting for the Quarter
(Calendar Tentative & Subject to change)
1 st quarter ending 30 th June, 2016
2 nd quarter ending 30 th September, 2016
3 rd quarter ending 31 st December, 2016
4 th quarter ending 31 st March, 2017 | - August, 2016 (2 nd Week)
- November, 2016 (2 nd Week)
- February, 2017 (2 nd Week)
- May, 2017 (4 th Week) |
| iv) | Date of Book Closure | - 24 th September to 29 th September, 2016
(Both days are inclusive) |
| v) | Dividend payment date | - No dividend has been recommended by the Board |
| vi) | Listing on Stock Exchanges: | - The equity shares of the Company are listed on Bombay Stock Exchange Ltd., (BSE)
Phiroze Jeejeebhoy Towers, 16 th Floor, Dalal Street, Fort, Mumbai - 400 001
(Stock code : 530163) |
| vii) | Annual Listing Fees | - Annual Listing Fees for the Financial Year 2016-17 to BSE has been paid. |
| | CIN of the company | - L24233KL1992PLC006592 |

viii) Stock Price performance: Kerala Ayurveda Ltd. (KAL) vs. BSE Sensex.

ix) **Market Price Data:** High/Low during each month in last financial Year at Bombay Stock Exchange.

Months	High	Low	Months	High	Low
April-15	45	36	Oct-15	52	45
May-15	42	36	Nov-15	72	46
June-15	39	34	Dec-15	76	64
July-15	66	36	Jan-16	92	63
Aug-15	73	47	Feb-16	80	43
Sept-15	54	42	Mar-16	48	44

I) Registrar & Share Transfer Agents:

M/s. 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. Share holders/ 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 Enterprises (India) Ltd.,

Kences Towers 2nd Floor, No.1 Ramakrishna Street

Off North Usman Road, T Nagar, Chennai 600017

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

E-mail : corpser@integratedindia.in

ii) Share Transfer System:

At the meetings of the Shareholders/Investors Grievance Committee of the Board, proposals for Share Transfer are being placed and the same are processed within 15 days from the date of receipt subject to the transfer instrument being valid and complete in all respects. Under the same 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 sub division cum Demat scheme for those shareholders who are submitting their shares for sub division. 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.

xii) Distribution of Share holding as on 31st March, 2016

Sl No.	Nominal value of shares (in Rupees)		No of Holders	% to total Holders	Total face value of shares (in `)	% to total face value
	From	To				
1	Upto	5,000	7718	90.77	792350	7.51
2	5,001	10,000	389	4.57	313113	2.97
3	10,001	20,000	189	2.22	289010	2.74
4	20,001	30,000	66	0.78	167560	1.59
5	30,001	40,000	27	0.32	99869	0.95
6	40,001	50,000	23	0.27	106210	1.01
7	50,001	100,000	49	0.58	371824	3.52
8	Above	100,001	42	0.49	8415734	79.73
Total			8503	100.00	10555670	100.00

xiii) Shareholders Profile as on 31st March, 2016

Sl	Category	Holders	Holders %	No. of Shares	Shares %
1	Clearing Members	56	0.66	56320	0.53
2	Corporate Bodies	128	1.51	321595	3.05
3	Public (Resident/NRI/Foreign National)	8317	97.81	3681344	34.88
4	Mutual	1	0.01	2976	0.03
5	Foreign Promoter	1	0.01	6493435	61.52
Total		8503	100.00	10555670	100.00

(xiv) Global Depository Receipts etc.

The capital of the Company comprises only Equity Shares and the company having no preference shares, outstanding ADRs or GDRs.

(xv) Dematerialisation of shares

The shares of the company are available for trading in the Depository systems of both the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) under company (ISIN No. INE817B01025).

The paid-up capital of your Company as on 31st March 2016 is Rs.10,55,56,700/- consisting of 10,555,670 shares of Rs10 each which were listed on the Bombay Stock Exchange. Out of the total number of listed shares, 87,03,378 shares forming 82.45% and 9,32,738 shares forming 8.84% stand dematerialized in NSDL and CDSL respectively and remaining 9,195,54 shares being 8.71% stands in physical form as on same date. The Company has established connectivity with both the Depositories through our Registrars, Integrated Enterprises (India) Ltd.

Reconciliation of Share Capital Audit is carried out by the Practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital.

(xvi) 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.

(xvii) Plant Location

01. Kerala Ayurveda Ltd.,
VII/415, Nedumbassery
Athani P.O., Aluva - 683 585

02. Kerala Ayurveda Ltd.,
Raw Drug Division
Athani P O, Kottai – 683 585

(xviii) 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. Kerala Ayurveda Ltd., VII/415, Nedumbassery, Athani P O, Aluva-683 585. Ph : 0484-2476301 (4 lines) Fax : 0484-2474376 Email: companysecretary@keralaayurveda.biz : investor@keralaayurveda.biz	M/s. Integrated Enterprises (India) Ltd. Kences Towers, 2nd Floor Ramakrishna Street Off North Usman Road T Nagar, Chennai-600 017 Ph: 044-28140801-03 Fax : 044-28142479 E-mail : corperserv@integratedindia.in

12. NON-MANDATORY REQUIREMENTS

- 1) The Corporate office of the Company supports the Chairman in discharging his responsibilities.
- 2) As the Company publishes the quarterly financial results in English Newspaper having circulation all over India and in vernacular Newspaper, the same are not sent to each shareholders, individually.
- 3) The Company did not have any qualifications in the Auditors Report for the financial year 2015-16. The Company continues to adopt best practices to ensure regime of unqualified financial statements.
- 4) The Company's Board of Directors comprise of professionals with expertise in their respective fields and industry. They endeavor to keep themselves abreast with changes in global economy and various legislations.

**On behalf of the Board of Directors
For Kerala Ayurveda Limited**

Sd/-

Ramesh Vangal
(DIN 00064018)
Chairman

Place: Bengaluru
Date : 9th August, 2016

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

To,

The Members of
Kerala Ayurveda Ltd.,

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all Directors and Members of the Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March 2016.

For **Kerala Ayurveda Ltd.**

Sd/-

Dr. K Anilkumar
(DIN 00226353)
Executive Director

Place: Bengaluru
Date : 9th August, 2016

AUDITORS CERTIFICATE

To

The Members of
KERALA AYURVEDA LTD

We have examined the compliance of conditions of Corporate Governance by M/s. Kerala Ayurveda Ltd, for the Financial Year ended on 31st March, 2016, as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

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

For BIJU GEORGE & CO
Chartered Accountants
FRN: 007920S

Sd/-

BIJU GEORGE, B Sc, FCA
Proprietor
Membership No.206233

Place: Bengaluru
Date: 9th August, 2016

CEO /CFO CERTIFICATION

To,
The Board of Directors,
Kerala Ayurveda Limited

We, the undersigned, in our respective capacities as Whole Time Executive 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 the cash flow statement for the Financial Year 2015-16 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, 2016 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/-

Place: Bengaluru
Date: 9th August, 2016

Dr K Anilkumar
(DIN 00226353)
Whole Time Director

Sd/-

Arvind Agarwal
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

World Economy and Industry Overview

In the past few months the global economy has struggled to get back on its feet from a rough ride at the beginning of the year. The Conference Board outlook for global economic growth remains modest at 2.4 percent in 2016 and at 2.7 percent in 2017.

Economic Overview

India's GDP gained momentum in the final quarter of FY 2015 and pushed full-year growth to a five-year high. GDP grew 7.6% in FY 2015, which was up from 7.2% in the previous fiscal year and primarily reflected robust growth in private consumption, which accounts for nearly 60% of the economy. Macroeconomic conditions are stable, consumer price inflation is under control and the wholesale price inflation is in negative territory. All this augurs well for the Ayurveda industry.

Ayurvedic Industry structure and Developments

Ayurveda is gaining acceptance all over India and abroad. There is an opportunity to tap Medical tourism market for curative and rejuvenation treatments offered under Ayurveda. Ayurveda is predominant among India's traditional health systems. It runs parallel to the modern health care sector. The country has developed vast AYUSH infrastructure comprising of registered practitioners, dispensaries and hospitals in public sectors, undergraduate colleges, post graduate education centers and licensed drug manufacturing units.

Business and Financial Performance review

Kerala Ayurveda Ltd, hereinafter referred as "KAL", was founded in 1945. With an experience over 70 years and through a unique combination of heritage richness and investment in technology, KAL has developed into full spectrum Ayurveda Company, encompassing Academies, Herbal Garden, Products, Clinics, Hospitals, Resorts and Research. Over the years, KAL has developed proprietary formulations which have been widely accepted in the market. KAL has constantly endeavoured to deliver authentic ayurveda to the world through its chain of hospitals, resorts, treatment centers and consultation clinics. The KAL Herbarium which has more than 1500 varieties of plant has won many accolades.

The performance review has been dealt in the Directors Report which forms part of this Annual Report.

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 centers
- By developing a range of Beverages with Herbal additives for a launch by FMCG Major.

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.

Risks & Concerns and Threats

The market has both organized and unorganized players, 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. However, 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.

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. The new guidelines from USFDA and EMEA cover the need for documentation in the above areas. Your company has been working in this area

Internal Control Systems and their adequacy

KAL has in place a well defined organizational structure and adequate internal controls for efficient 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.

Material developments in Human Resources/Industrial Relations front, including 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 recognizes merit as a main criterion for growth and development and have open environment for inviting any suggestions. The company believes that human resources are the most valuable assets and a major driver for achieving its goals. The company had 394 employees as on 31st March, 2016.

Cautionary Statement

The statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be treated as 'forward looking statements' within the meaning of applicable laws and regulations. The success in realizing these goals depends on various factors, both internal and external. Therefore, the investors are requested to make their own independent judgments by taking into account all relevant factors before taking any investment decision. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events or otherwise.

INDEPENDENT AUDITORS' REPORT

To

The Members of
KERALA AYURVEDA LIMITED,

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial statements of Kerala Ayurveda Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 act in the manner so required and give a

true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" 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, 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B. Sc, FCA, DISA(ICA)

Proprietor
MEM REGN No. 206233

Thodupuzha
28th May, 2016

ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Kerala Ayurveda Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the ' Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 control 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B. Sc, FCA, DISA(ICA)

Proprietor
MEM REGN No. 206233

Thodupuzha
28th May, 2016

ANNEXURE- B TO 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 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of 3 years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(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.
- ii. As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
- iii. The Company has granted loans to its subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013 ('the act')
(a) In our opinion the terms and conditions on which the loans had been granted to subsidiaries listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
(b) The loans are interest free and the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, the provisions of clause (iii) (b) of the order is not applicable.
(c) There are no overdue amounts in respect of the loans granted to the body corporates listed in the register maintained under section 189 of the Act
- iv. In our opinion and according to the information and explanations given to us by the management, the company has complied with the provisions of the section 185 and 186 of the Companies Act, 2013, with respect to loans, investments, guarantees and securities made.
- v. In our opinion and according to the information and explanations given to us by the management, the company has not accepted any deposit within the meaning of sections 73 and 76 of the Companies Act, 2013 and the rules framed there under.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government under section 148 (1) of the Companies Act 2013 for maintenance of cost records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the records of the company, and information and explanations given to us, the Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2016 outstanding for a period of more than six months from the date they became payable.
- viii. Based on our audit procedures and according to the information and explanations given to us by the management, the company has not defaulted in repayment of loans or borrowings to a financial institutions, Bank, Government or dues to debenture holders. The Company has not issued any debenture.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they are obtained. Further as per the records, the Company did not raise any money by way of initial public offer, further public offer (including debt instruments).
- x. Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. 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 Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
- xiv. 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.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-1 A of the Reserve Bank of India Act 1934.

For BIJU GEORGE & CO

Chartered Accountants

FRN: 007920S

Sd/ -

BIJU GEORGE, B. Sc, FCA, DISA(ICA)

Proprietor

MEM REGN No. 206233

Thodupuzha
28th May, 2016

KERALA AYURVEDA LIMITED

BALANCE SHEET AS AT 31st MARCH, 2016

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
		Amount in `	Amount in `
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	105,556,700	105,556,700
(b) Reserves and Surplus	3	51,206,015	33,945,857
(c) Money Received against Share Warrants	4	-	1,494
		156,762,715	139,504,051
2 Non-Current Liabilities			
(a) Long-Term Borrowings	5	496,301,535	499,165,076
(b) Other Long-Term Liabilities	6	3,867,500	3,667,500
(c) Long-Term Provisions	7	6,578,669	6,455,701
		506,747,704	509,288,277
3 Current liabilities			
(a) Short term Borrowings	8	143,691,459	145,137,061
(b) Trade payables	9	13,535,407	21,099,363
(c) Other current liabilities	10	19,776,046	17,010,888
(d) Short-term Provisions	11	4,121,164	4,527,420
		181,124,076	187,774,732
TOTAL		844,634,495	836,567,060
B ASSETS			
1 Non-Current assets			
(a) Fixed Assets			
(i) Tangible Assets	12	162,627,302	166,069,895
(b) Non Current Investments	13	114,647,970	114,647,970
(c) Deferred Tax Assets (Net)	31	14,704,188	22,435,726
(d) Long-Term Loans and Advances	14	412,746,951	401,312,989
		704,726,411	704,466,580
2 Current Assets			
(a) Inventories	15	54,900,956	57,379,010
(b) Trade Receivables	16	52,607,728	43,614,695
(c) Cash and Cash equivalents	17	19,853,180	17,361,541
(d) Short-Term Loans and Advances	18	12,546,220	13,745,236
		139,908,085	132,100,480
TOTAL		844,634,495	836,567,060
Significant accounting policies			
See accompanying notes 1 to 36 forming part of the financial statements.			

In terms of our report attached.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B Sc, FCA

Proprietor
MEM REGN No. 206233

Bengaluru
28th May, 2016

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

Sd/ -

RAMESH VANGAL

Chairman

Sd/ -

ITTI BHARGAVA

Company Secretary

Sd/ -

Dr K ANILKUMAR

Executive Director

Sd/ -

ARVIND AGARWAL

Chief Financial Officer

KERALA AYURVEDA LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Sl.	Particulars	Note No.	For the period ended 31st March, 2016	For the period ended 31st March, 2015
			Amount in `.	Amount in `.
1	Revenue from operations	19	352,475,705	307,040,000
2	Other income	20	710,974	368,264
			353,186,679	307,408,264
	Less: Excise Duty & VAT		26,746,692	24,171,141
3	Net revenue from operation		326,439,987	283,237,123
4	Expenses			
	(a) Cost of Materials consumed	21	80,133,229	79,684,971
	(b) Purchases of Medicines (Stock In Trade)	22	3,056,481	2,891,415
	(c) Changes in Inventories of FG, WIP & Stock In Trade	23	2,350,404	(8,646,262)
	(d) Employee benefits expense	24	105,712,572	94,481,587
	(e) Finance costs	25	11,409,532	11,375,749
	(f) Depreciation	26	5,236,834	5,835,052
	(g) Other expenses	27	93,549,238	81,871,089
	Total Expenses		301,448,290	267,493,602
5	Profit Before Extraordinary items and Tax (3 - 4)		24,991,696	15,743,521
6	Add: Extraordinary Items		-	-
7	Profit Before Tax (5 - 6)		24,991,696	15,743,521
8	Tax expense:			
	(a) Current tax		-	-
	(b) Deferred tax		(7,731,538)	(4,685,742)
			(7,731,538)	(4,685,742)
9	Profit for the period (7 ± 8)		17,260,158	11,057,779
10	Earnings Per Equity Share			
	Basic & diluted [Nominal value of shares ` . 10/- each]		1.64	1.05
	Significant Accounting Policies			
	See accompanying notes 1 to 36 forming part of the financial statements.			

In terms of our report attached.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B Sc, FCA

Proprietor
MEM REGN No. 206233

Bengaluru
28th May, 2016

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

Sd/ -

RAMESH VANGAL

Chairman

Sd/ -

ITTI BHARGAVA

Company Secretary

Sd/ -

Dr K ANILKUMAR

Executive Director

Sd/ -

ARVIND AGARWAL

Chief Financial Officer

KERALA AYURVEDA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year Ended 31st March, 2016	For the year Ended 31st March, 2015
	Amount in `	Amount in `
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and Interest	36,401,229	27,119,270
Adjustment for:		
Interest Received	(705,724)	(366,014)
Dividend Received	(5,250)	(2,250)
Depreciation	5,236,834	5,835,052
(Profit)/ Loss on sale of fixed assets	(20,942)	9,105
Operating profit before working capital changes	40,906,147	32,595,164
Adjustments for:		
Trade receivables	(8,993,033)	(1,224,949)
Inventories	2,478,053	(10,737,755)
Short Term loans and advances	1,199,016	(10,382,519)
Long Term loans and advances	(5,979,152)	(8,623,156)
Long Term Provisions	122,968	(1,395,875)
Other Long Term Liabilities	200,000	(25,000)
Trade Payables	(7,563,956)	4,975,215
Other Current Liabilities	2,765,158	(2,756,697)
Short Term Provisions	(406,256)	373,891
Cash generated from operations	(16,177,203)	(29,796,845)
Net cash from operating activities A	24,728,944	2,798,320
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(1,894,243)	(1,603,949)
Sale of fixed assets	119,450	8,800
Investment-Share Application Money		(262,500)
Loans to Subsidiaries	(5,454,810)	(14,042,957)
Dividend Received	5,250	2,250
Interest Received	705,724	366,014
Net cash used in Investing activities B	(6,518,629)	(15,532,342)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment (-)/ Proceeds(+) of Secured Loans		
Repayment (-)/ Proceeds(+) of UnSecured Loans	(2,863,541)	22,282,766
Net Increase/ (Decrease) in Working Capital Borrowings	(1,445,602)	17,371,248
Finance Cost	(11,409,532)	(11,375,749)
Net cash from financing activities C	(15,718,676)	28,278,265
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	2,491,640	15,544,242
Cash & Cash Equivalents at Beginning of year	17,361,541	1,817,299
Cash & Cash Equivalents at End of year	19,853,181	17,361,541
Net Increase/ (Decrease) in Cash & Cash Equivalents	2,491,640	15,544,242

In terms of our report attached.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B Sc, FCA

Proprietor
MEM REGN No. 206233

Bengaluru
28th May, 2016

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

Sd/ -

RAMESH VANGAL

Chairman

Sd/ -

ITTI BHARGAVA

Company Secretary

Sd/ -

Dr K ANILKUMAR

Executive Director

Sd/ -

ARVIND AGARWAL

Chief Financial Officer

KERALA AYURVEDA LIMITED

Notes forming part of financial statements for the year ended 31st March, 2016

Note 1-Significant Accounting Policies

1.1 Basis for preparation of financial statements and method of accounting

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with policies generally accepted in India including Accounting Standards issued by the Institute of Chartered Accountants of India.

1.2 Use of estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make 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.

1.3 Fixed Assets

- Fixed assets are stated at cost less depreciation. Cost includes expenses related to acquisition and installation of fixed assets.
- Depreciation on all other fixed assets is provided based on the useful lives of the asset as prescribed under Schedule II of the Companies Act 2013. Depreciation on additions has been calculated on prorata basis.

Assets	Useful Life in years (Schedule II)
Land	Nil
Building	30
Office Equipments	5
Computers & Peripherals	3
Vehicles	8
Furnitures & Fittings	10

1.4 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that has necessarily taken substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.5 Inventories

Raw materials, consumables and work-in-progress are valued at cost or net realizable value, whichever is lower. Stores and Spares are valued at cost.

1.6 Revenue Recognition

Sales are net of rebate, discount, excise duty and VAT. Treatment income & consulting charges is recognized on completion of each service & consultation and research/healthcare consultancy income is recognized on accrual basis.

1.7 Transactions in Foreign Exchange

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities at the year end are translated into rupees at the rate of exchange prevailing on the date of balance sheet. All exchange differences are dealt with in the statement of Accounts.

1.8 Employee Benefits / Retirement Benefits.

- Leave Encashment Benefit accounted on the basis that such benefits is payable to employees at the end of the year.
- Gratuity Provision is made based on actuarial valuation.
- Provident Fund contribution is as per the rate prescribed by the related Act.

1.9 Research & Development.

Revenue expenditure on research and development is charged to Profit & Loss account. Capital expenditure on research and development is included as a part of fixed assets and depreciated on the same basis as other fixed assets.

1.10 Impairment of assets

Impairment loss if any is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of useful life.

1.11 Investments

Investments are stated at cost less provision for diminution other than temporary in their values.

1.12 Earnings Per Share

The basic and diluted earnings per share (E P S) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

1.13 Provision for Tax

Income tax and Deferred tax provision for the year is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'timing difference' between book and taxable profit is accounted by using the tax rates and laws that are enacted or substantively enacted on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

KERALA AYURVEDA LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2016

	Particulars	As at 31st March, 2016		As at 31st March, 2015	
		Number of shares	In `	Number of shares	In `
2	Share capital				
	(a) Authorised Capital Equity shares of ` 10/- each with voting rights	12,000,000	120,000,000	12,000,000	120,000,000
	(b) Issued Capital Equity shares of ` 10/- each with voting rights	10,555,670	105,556,700	10,555,670	105,556,700
	(c) Subscribed and fully paid up Equity shares of ` 10/- each with voting rights	10,555,670	105,556,700	10,555,670	105,556,700
	Total	10,555,670	105,556,700	10,555,670	105,556,700
	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, 2016		-	-	
	- Number of shares	10,555,670	-	-	10,555,670
	- Amount (In `.)	105,556,700			105,556,700
	Year ended 31 March, 2015				
	- Number of shares	10,555,670	-	-	10,555,670
	- Amount (In `.)	105,556,700	-	-	105,556,700
	(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, 2016		As at 31st March, 2015	
		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 Limited, Mauritius	6,493,435	61.52%	6,493,435	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, 2016				
	M/s Katra Holdings Ltd, the holding company	6,493,435			6,493,435
	As at 31st March, 2015				
	M/s Katra Holdings Ltd, the holding company	6,493,435			6,493,435

KERALA AYURVEDA LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2016

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Amount in `.	Amount in `.
3	<u>Reserves and Surplus</u>		
	Capital Reserve	4,541,879	4,541,879
	Share Premium	114,514,976	114,514,976
	General reserve	1,798,000	1,798,000
	Surplus / (Deficit) in Statement of Profit and Loss		
	At the commencement of the year	(86,908,998)	(90,635,662)
	Add: Profit for the year	17,260,158	11,057,779
	Less: Carrying amounts of Fixed Assets debited to retained earnings where remaining useful life of the Asset is NIL as on 1st April 2014		(7,331,115)
	Net Surplus / (Deficit) in the Statement of Profit and Loss	(69,648,840)	(86,908,998)
	Total	51,206,015	33,945,857
4	<u>Money Received against Share warrants</u>		
	Warrant Application Money	-	1,494
	Total	-	1,494
5	<u>Long-term borrowings</u>		
	(a) Term Loan From Banks		
	Secured	NIL	NIL
	Unsecured		
	Axis Bank-Car Loan	272,294	435,835
	(b) Loans and advances from related parties		
	Unsecured		
	From Group Companies		
	Katra Holding Pvt Ltd	496,029,241	498,729,241
	Total	496,301,535	499,165,076
	Note: Car loans are secured by hypothecation of respective vehicle		
6	<u>Other Long-Term Liabilities</u>		
	Deposits Received from Business associates	3,867,500	3,667,500
	Total	3,867,500	3,667,500
7	<u>Long-term Provisions</u>		
	Provision for Gratuity	6,578,669	6,455,701
	Total	6,578,669	6,455,701
8	<u>Short Term Borrowings</u>		
	Secured loan repayable on demand		
	Kotak Mahindra Bank-Ernakulam (OD)	22,700,901	16,518,339
	Kotak Mahindra Bank-Bangalore (OD)	49,017,820	58,618,722
	Kotak Mahindra Bank Short Term Loan	20,000,000	20,000,000
	(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 loan repayable on demand		
	ICD from Tata Global Beverages Limited	47,500,000	50,000,000
	(EM of 2 Acres and 4 Guntas of land bearing Survey no 49 of Sonnapanahalli Village, Doddaballapur Taluk, Bengaluru belong to Arudrama)		
	Kotak Mahindra Bank STL	4,472,737	-
	(Secured by Lein on Fixed Deposit of ` 26,46,203/- held with Kotak Mahindra Bank and personal guarantee of two Directors)		
	Total	143,691,459	145,137,061

KERALA AYURVEDA LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2016

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Amount in `.	Amount in `.
9	<u>Trade Payables</u>		
	Sundry Creditors- Mfgs.	11,358,165	10,138,015
	Sundry Creditors- Others	2,177,242	10,961,348
	Total	13,535,407	21,099,363
	Note: Dues to Micro, Small and Medium Enterprises under MSMED Act based on the	3,413,549	2,258,971
10	<u>Other current liabilities</u>		
	(a) Other payables		
	Advances from Customers	2,060,034	1,782,376
	Statutory Liabilities	3,643,078	2,710,359
	VAT Payable	812,170	635,424
	TDS Payable	1,535,832	676,117
	P F ,ESI Etc	1,295,076	1,398,818
	Accrued Employee Liabilities	6,876,770	6,405,716
	T A Payable	658,755	684,740
	Salary Payable	6,218,015	5,720,976
	Loans repayable within one year- Axis Bank car loan	163,551	163,551
	Rent Payable	4,023,981	3,779,600
	Other Current Liabilities	3,008,632	2,169,286
	Total	19,776,046	17,010,888
11	<u>Short-term provisions</u>		
	(a) Provision - Others:		
	Bonus Payable	3,623,993	4,008,369
	Privilege Leave Encashment Payable	497,171	519,051
	Total	4,121,164	4,527,420
13	<u>Non Current Investments</u>		
	<u>In Subsidiary Companies</u>		
	(Unquoted, At cost)		
	16,65,000 equity shares of Rs 10 each in Ayurvedagram Heritage Wellness Centre Pvt Ltd	64,286,600	64,286,600
	100 Common stock of no par value in Nutravada Inc. (formerly known as Ayu. Inc)	5,620	5,620
	100 Common stock of no par value in Ayu Natural Medicines Clinic PS., USA	21,516,252	21,516,252
	100 Common stock of no par value in Ayurvedic Academy Inc., USA	27,242,710	27,242,710
	817 Common stock of USD 1 par value in CMS Katra Holdings LLC, USA	34,853	34,853
	6201 Shares of face value 1 Sing \$ in Nutravada Pte Ltd, Singapore	281,935	281,935
	<u>Non Trade</u>		
	(Quoted, At cost)		
	500 equity shares of Rs 10 each fully paid up in Canara Bank Ltd(Quoted) Market Value Rs 189.85 last Year Rs 367.90 per share	17,500	17,500
	(Unquoted, At cost)		
	114 Equity Shares of Rs.10000/- each in (100 Equity Shares of Rs.10000/- each in) Confederation for Ayurvedic Renaissance Keralam Pvt Ltd	1,262,500	1,000,000
	Share application money in Confederation for Ayurvedic Renaissance Keralam Pvt Ltd		262,500
	Total	114,647,970	114,647,970

KERALA AYURVEDA LIMITED

Notes forming part of the financial statements for the year ended 31st March, 2016

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Amount in `.	Amount in `.
14	<u>Long-Term loans and advances</u> (Unsecured, considered good unless otherwise stated)		
	Deposits with Govt. Authorities	978,772	889,171
	Deposits with others	7,892,351	7,972,110
	Income Tax advance	3,341,412	7,213,785
	Project Expenses	53,033,881	43,192,197
	WIP Nurse Training Deferred	32,383,402	32,383,402
	Loans to Subsidiaries	315,117,135	309,662,324
	Total	412,746,952	401,312,989
15	<u>Inventories</u> (Inventory as taken, valued and certified by the management) (At lower of cost and net realisable value)		
	Finished Goods	26,694,848	29,266,326
	Goods in transit	329,956	1,134,468
	Furnace Oil	116,486	450,625
	Packing Material	2,488,594	2,432,082
	Raw Material	6,552,292	6,387,879
	Stores & Spares	69,074	83,509
	Work in Progress	18,649,706	17,624,121
	Total	54,900,956	57,379,010
16	<u>Trade receivables</u> (Unsecured, considered good unless otherwise stated)		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment	3,151,363	2,184,963
	Other Trade receivables	49,456,365	41,429,732
	Total	52,607,728	43,614,695
	Note: Trade receivables include debts due from:		
	Directors *	NIL	NIL
	Other officers of the Company *	NIL	NIL
	Firms in which any director is a partner	NIL	NIL
	Private companies in which any director is a director or member	NIL	NIL
17	<u>Cash and cash equivalents</u>		
	(a) Cash on hand	439,112	2,244,750
	(b) Cheques, drafts on hand	838,919	1,314,149
	(c) Balances with banks		
	(i) In Current accounts	15,333,262	13,240,756
	(ii) In Deposit accounts		
	Bank Deposits with original maturity for more than 12 months	3,241,887	561,886
	(Includes FD's given as margin money for issue of Bank Guarantees amounting to ` 595684 (Previous Year 561886)		
	Total	19,853,180	17,361,541
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ` 19853180 (Previous Year ` 17361541/-)		
18	<u>Short-term loans and advances</u> (Unsecured, considered good unless otherwise stated)		
	Advance for Purchase	2,083,827	6,765,863
	Other Advances	9,946,817	6,767,861
	Prepaid expense	515,575	211,511
	Total	12,546,219	13,745,235

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2016

Amount in `

Note 12 Fixed Assets

Tangible Assets	Gross Block				Depreciation				Net Block	
	Balance as at 1 st April, 2015	Addition	Deduction	Balance as at 31 st March, 2016	Balance as at 1 st April, 2015	For the year	Deduction	Balance as on 31 st March, 2016	Balance as at 31 st March, 2016	Balance as at 31 st March, 2015
Land	111,544,126	-	-	111,544,126	-	-	-	-	111,544,126	111,544,126
Building	45,899,750	698,548	10,000	46,588,298	19,881,388	1,127,591	1,348	21,007,631	25,580,667	26,018,362
Plant & Machinery	37,949,747	406,099	101,889	38,253,977	24,857,938	1,505,368	17,617	26,345,689	11,908,288	13,091,809
Electrical Fitting	4,813,063	104,218	6,050	4,911,231	3,585,537	207,317	4,622	3,788,232	1,122,999	1,227,526
Furniture & Fixture	28,612,401	472,547	88,189	28,996,759	19,719,753	1,662,935	85,775	21,296,913	7,699,847	8,892,648
Office Equipment	9,759,890	126,457	-	9,886,347	8,735,960	294,667	-	9,030,628	855,718	1,023,929
Computer & Accs.	8,726,768	86,373	8,030	8,805,141	8,093,539	203,537	4,745	8,292,331	512,810	633,230
Vehicle	2,424,182	-	-	2,424,182	1,146,978	224,566	-	1,371,544	1,052,638	1,277,203
Misc. Fixed Assets	2,494,435	-	-	2,494,435	133,372	10,854	-	144,226	2,350,209	2,361,063
Total	252,224,362	1,894,243	214,108	253,904,497	86,154,467	5,236,834	114,106	91,277,194	162,627,302	166,069,895
Previous year	250,653,793	1,606,949	33,380	252,224,362	73,003,777	5,835,052	7,315,638	86,154,467	166,069,895	177,650,017

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2016

Notes	Particulars	For the period ended	For the period ended
		31st March, 2016	31st March, 2015
		Amount in `	Amount in `
19	Revenue from Operations		
	(a) Sale of products	275,766,737	239,971,769
	(b) Sale of services	76,708,968	67,068,231
	Total	352,475,705	307,040,000
	(a) (i) Sale of products comprises:		
	Sale of Ayurvedic Medicine	275,766,737	239,971,769
	Total	275,766,737	239,971,769
	(b) (ii) Sale of services comprises:		
	Treatment Income	62,495,648	54,067,569
	Training Income	6,401,609	5,781,875
	Registration Fees	2,553,131	2,561,913
	Other Operational Income	5,258,581	4,656,874
	Sale of Scrap	74,809	82,333
	Miscellaneous Receipts	1,270,650	1,159,463
	Income From Cultivation	12,060	152,829
	Canteen Income	3,901,061	3,262,249
Total	76,708,968	67,068,231	
20	Other Income		
	Interest Received	705,724	366,014
	Dividend Income	5,250	2,250
Total	710,974	368,264	
21	Cost of materials consumed		
	Raw Material		
	Opening stock	6,387,879	4,751,297
	Add: Purchases	62,188,683	63,472,854
	Less: Closing stock	6,552,292	6,387,879
	(A)	62,024,270	61,836,273
	Packing Material		
	Opening Stock	2,432,082	2,030,210
	Add: Purchase	18,165,471	18,250,570
	Less: Closing Stock	2,488,594	2,432,082
	(B)	18,108,959	17,848,698
Cost of material consumed(A+B) Total	80,133,229	79,684,971	
22	Purchase of Stock In Trade		
	Purchase of Medicines	3,056,481	2,891,415
Total	3,056,481	2,891,415	
23	Changes in inventories of stock of F G, WIP & Stock in trade		
	<u>Inventories at the end of the year:</u>		
	Stock of FG, WIP & Stock in Trade	45,674,510	48,024,915
	45,674,510	48,024,915	
	<u>Inventories at the beginning of the year:</u>		
	Stock of FG, WIP & Stock in Trade	48,024,915	39,378,653
48,024,915	39,378,653		
Net (increase) / decrease	2,350,404	(8,646,262)	

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2016

Notes	Particulars	For the period ended	For the period ended
		31st March, 2016	31st March, 2015
		Amount in `	Amount in `
24	<u>Employee benefits expense</u>		
	Salaries and wages	91,404,256	83,743,550
	Contributions to provident funds	6,622,279	5,915,781
	Staff welfare expenses	7,686,037	4,822,256
	Total	105,712,572	94,481,587
25	<u>Finance costs</u>		
	(a) Interest expense on:		
	(i) Borrowings	9,382,865	10,297,253
	(ii) Others		
	- Bank Charges	1,678,358	708,497
	- Other Interest	348,309	369,999
	Total	11,409,532	11,375,749
26	<u>Depreciation expense</u>		
	Depreciation	5,236,834	5,835,052
	Total	5,236,834	5,835,052
27	<u>Other expenses</u>		
	Rent	9,643,538	11,302,146
	Rates and Taxes	743,448	941,946
	Legal & Professional charges	622,467	351,638
	Directors Sitting Fee	270,000	205,000
	Research and Development Expenses	234,662	772,094
	Travelling -Others	2,160,918	1,812,667
	Loss on sale of fixed Asset	9,208	10,608
	Publication Expenses	-	125,935
	Repairs & Maintenance- Others	1,668,290	1,096,945
	Vehicle Maintenance	267,370	247,053
	Insurance	205,683	87,259
	Printing & Stationery	1,289,747	1,086,080
	Postage & Telephone	1,858,117	1,769,036
	Secretarial Expenses	1,423,584	876,524
	Repairs & Maintenance Branch assets	1,550,049	1,476,880
	Conveyance Expenses	841,540	908,147
	Canteen Expenses	1,904,390	1,995,611
	Electricity charges (Branches/ Depot)	1,555,191	2,012,540
	Other Administrative Expenses	4,737,396	5,192,343
	Internal Audit fee	40,000	40,000
	Audit fee	225,720	211,600
	Travelling -Sales Staff	7,888,624	7,389,056
	Advertisements	371,797	424,148
	Commission & Discount	6,862,434	4,462,269
	Training Expenses	483,523	583,551
	Freight Outward	6,166,448	5,068,411
	Sales promotion exp	5,244,359	3,354,969
	Other Selling & Distribution Expenses	2,252,303	924,594
	Fuel Consumed	3,070,105	4,328,308
	Electricity charges	1,311,892	1,205,166
	Repairs to Plant & Machinery	984,727	476,303
	Repairs to Building	189,635	450,123
	Job Works	17,432,175	12,063,917
	Other Manufacturing Expenses	3,649,877	2,344,240
	Cultivation Expenses	66,812	202,832
	Treatment Expenses	6,323,210	6,071,152
	Total	93,549,239	81,871,090
	(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
	As auditors - Statutory audit & Tax Audit	140,075	140,000
	For company law matters	55,125	48,000
	Reimbursement of expenses	30,520	23,600
	Total	225,720	211,600

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2016

28	Earnings in Foreign Currency :		Amount in `
	Particulars	31st March, 2016	31st March, 2015
	Export of Medicine	6,752,409	5,451,885
	Total	6,752,409	5,451,885
	Expenditure in Foreign Currency :		
	Particulars	31st March, 2016	31st March, 2015
	Expenditure in Foreign Currency	-	-
	Total	NIL	NIL
29	Related party transactions		
	Details of related parties:		
	Description of relationship	Names of related parties	
	Holding Company	Katra Holdings Ltd, Mauritius	
	Subsidiary Companies	Ayurvedagram Heritage Wellness Centre Pvt Ltd	
		Nutraveda 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.	
		Ayusante Lifecare India Pvt. Ltd.	
		Katra Holding Pvt. Ltd.	
		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 Arvind Agarwal , CFO	
		Ms Itti Bhargava, Company Secretary	
		Mr K. Raghunadhan, Company Secretary	
	Relative of key Managerial Person	Ms Anusha Rajeswaran, Company Secretary	
		Mrs Sunitha Anilkumar	
	Mrs Chithra Gopinath		
	Note: Related parties have been identified by the Management.		
Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016 :			
	Particulars	31st March, 2016	31st March, 2015
	Purchase of Raw Materials- All Season Herbs Pvt Ltd	2,260,706	3,717,862
	Purchase of Raw Materials- Confederation for Ayurvedic Renaissance Keralam Ltd	736,058	1,639,389
	Sale of Medicines-Ayurvedagram Heritage Wellness Centre P Ltd	3,286,302	3,419,819
	Sale of Medicines-Nutraveda Inc	174,297	491,648
	Receiving services By Ayurvedagram Heritage Wellness Centre P Ltd	195,555	206,029
	Rendering of services- Ayurvedic Academy Inc	304,875	277,560
	Rendering of services- Mason & Summers Leisure P Ltd	401,562	298,795
	Rent Paid-Sunitha Anil Kumar and Chithra Gopinath	-	762,500
	Managerial Remuneration-Dr K Anilkumar, Director	3,000,000	3,000,000
	Remuneration paid to Mr Arvind Agarwal, CFO	4,746,845	2,568,472
	Remuneration paid to Ms Itti Bhargava, Company Secretary w.e.f 13/ 08/ 2015	391,667	-
	Remuneration paid to Mr K. Raghunadhan, Company Secretary up to 10/ 02 / 2015	-	609,836
	Remuneration paid to Ms Anusha Rajeswaran, Company Secretary w.e.f 10/ 02/ 2015 to 30/ 06/ 2015	-	101,561
	Reimbursement of Expenses to/ by KAL Subsidiaries	2,941,289	378,750
	Reimbursement of Expenses By/ to Katra Phytochem India Pvt Ltd	2,942,358	-

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2016

	Reimbursement of Expenses by Ayusante Lifecare India Pvt Ltd	-	1,302,500
	Reimbursement of Expenses by Katra Holding Pvt Ltd	-	3,314
	Lending/ Advances - to KAL Subsidiaries	5,454,810	15,796,417
	Borrowings (including loans)- from Katra Holding Pvt Ltd	9,900,000	28,800,000
	Repayment of loans -by KAL Subsidiaries	-	1,753,460
	Repayment of Loans-to Katra Holding Pvt Ltd	12,600,000	6,081,314
	Balances outstanding at the end of the year		
	Lending- to KAL Subsidiaries	315,117,134	309,662,324
	Borrowings- from Katra Holding Pvt Ltd	496,029,241	498,729,241
30	Contingent Liabilities		
	Particulars		
	I. The company has given a bank guarantee of ` 1,000,000/- to Health & Family Welfare Dept, Government of Kerala towards security deposit for giving permission to start one year para medical certificate course in Ayurveda Therapy.		
	II. The company has given a bank guarantee of ` 500,000/- to The Registrar, Banaras Hindu University towards security deposit for setting up Kerala Ayurveda Panchakarma Center at S S Hospital under BHU.		
	III. The company has given a bank guarantee of ` 90,000/- to Commissioner, Delhi Value Added Tax towards VAT registration at Delhi		
	IV. The company has given a bank guarantee of ` 50,000/- to Commissioner, Delhi Value Added Tax towards F Form .		
	V. The company has given a bank guarantee of ` .25,000/- to CTO, Madanapally, Andhra Pradesh Value Added Tax towards CST registration .		
	VI. The company has given a bank guarantee of ` .56,903/- to Asst Commissioner of CTO, Aluva, Kerala towards margin for Appeal .		
31	Deferred tax assets/ (liabilities)		
	Particulars	As at 31st March, 2015	As at 31st March, 2016
			Movement
	Book/ Tax depreciation difference	(7,384,893)	437,494
	Provision for Gratuity	2,149,145	37,997
	Carry forward of business Loss	10,565,651	(8,207,029)
	Unabsorbed Depreciation Carried forward	17,105,823	
	Total deferred tax Asset	22,435,726	(7,731,538)
			14,704,187
32	Earnings/ (Loss) per share :		
	Particulars	31st March, 2016	31st March, 2015
	Net Profit / (Loss) after Tax	11,057,779	11,057,779
	Weighted Average Number of Shares outstanding during the year	10,555,670	10,555,670
	Earnings/ (Loss) Per Share (` .)	1.64	1.05
	Nominal Value of Shares (` .)	10.00	10.00
33	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.		
34	Previous year figures have been re-grouped / re-classified wherever necessary to correspond with the current year classification/ Disclosure.		
35	During the previous year, the company has changed the depreciation policy as per the Schedule II of the The Companies Act 2013 and depreciation is provided over the useful life of the asset. Prior to the this, the company was following SLM method as per the Companies Act 1956. Due to the change in policy, the depreciation of ` .73,31,115/- has been adjusted to the opening retained earnings in the year ended March 31,2015.		
36	Share Warrant Application money forfeited in 2007, has been reclassified under Capital Reserve		

In terms of our report attached.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B Sc, FCA

Proprietor
MEM REGN No. 206233

Bengaluru
28th May, 2016

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

Sd/ -

RAMESH VANGAL

Chairman

Sd/ -

ITTI BHARGAVA

Company Secretary

Sd/ -

Dr K ANILKUMAR

Executive Director

Sd/ -

ARVIND AGARWAL

Chief Financial Officer

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of KERALA AYURVEDA LIMITED,

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial statements of Kerala Ayurveda Limited ("the holding Company") and its subsidiary Companies (collectively referred to as the Company or Group) comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The holding Company's Board of Directors is responsible for the preparation of the Consolidated Financial statements in terms of the requirements of the Companies Act 2013 (the Act) that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective board of directors of the Company and its subsidiary companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of these consolidated financial statements by the board of directors of the Company.

Auditors' Responsibility

Our responsibility is to express an opinion on the Consolidated Financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2016, and its Consolidated profit and its Consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiaries, Ayurvedagram Heritage Wellness Centre Private Limited, India, Ayurvedic Academy Inc, Ayu Natural Medicine Clinic PS, Nutraveda Inc, CMS Katra Holding LLC, CMS Katra Nursing LLC, USA and Nutraveda PTE Ltd, Singapore whose financial statements reflect total assets of ` 4420.71 Lakhs as at 31st March 2016, Total Revenues ` 1402.45 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 reports have been furnished to us by the management and our opinion on the Consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub sections (3) and (11) of section 143 of the act so far as it relates to the above subsidiaries is based solely on the report of other auditors.

Report on Other Legal and Regulatory Requirements

1. 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 relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary Companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director of that Company 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 Group 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, 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B. Sc, FCA, DISA(ICA)

Proprietor
MEM REGN No. 206233

Thodupuzha
28th May, 2016

ANNEXURE- 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Kerala Ayurveda Limited ('the Company') and its subsidiary Companies incorporated in India as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 prescribed under Section 143(10) of the Act and the Guidance

Note, to the extent applicable to an audit of internal financial controls over financial reporting . Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, 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 control 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 to the best of our information and according to the explanations given to us, the Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 subsidiary company, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B. Sc, FCA, DISA(ICA)

Proprietor
MEM REGN No. 206233

Thodupuzha
28th May, 2016

KERALA AYURVEDA LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars		Note No.	As at 31st March, 2016	As at 31st March, 2015
			Amount in `	Amount in `
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	2	105,556,700	105,556,700
	(b) Reserves and Surplus	3	(167,640,841)	(194,653,337)
	(c) Money Received against Share Warrants	4	-	1,494
			(62,084,141)	(89,095,143)
2	Non-Current Liabilities			
	(a) Long-Term Borrowings	5	524,957,132	537,402,739
	(b) Other Long-Term Liabilities	6	3,867,500	3,667,500
	(c) Long-Term Provisions	7	8,134,739	7,853,315
	(d) Minority Interest		12,742,818	12,386,997
			549,702,189	561,310,551
3	Current liabilities			
	(a) Short term Borrowings	8	160,575,740	159,460,816
	(b) Trade payables	9	28,351,816	32,175,502
	(c) Other current liabilities	10	50,311,815	53,326,709
	(d) Short-term Provisions	11	5,627,890	8,597,867
			244,867,261	253,560,894
	TOTAL		732,485,309	725,776,302
B	ASSETS			
1	Non-Current assets			
	(a) Fixed Assets			
	(i) Tangible Assets	12	237,172,190	223,409,113
	(ii) In Tangible Assets		1,627,197	2,379,099
	(b) Goodwill On Consolidation		102,577,168	102,577,168
	(c) Non Current Investments	13	1,280,000	1,280,000
	(d) Deferred Tax Assets (Net)	31	3,780,609	17,495,185
	(e) Long-Term Loans and Advances	14	247,971,399	241,156,643
			594,408,562	588,297,208
2	Current Assets			
	(a) Inventories	15	59,601,749	61,711,124
	(b) Trade Receivables	16	41,892,397	37,206,002
	(c) Cash and Cash equivalents	17	22,740,322	23,626,366
	(d) Short-Term Loans and Advances	18	13,842,277	14,935,604
			138,076,745	137,479,095
	TOTAL		732,485,308	725,776,303
	Significant accounting policies			
	See accompanying notes 1 to 36 forming part of the financial statements.			

In terms of our report attached.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/-

BIJU GEORGE, B Sc, FCA

Proprietor
MEM REGN No. 206233

Bengaluru
28th May, 2016

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

Sd/-

RAMESH VANGAL

Chairman

Sd/-

ITTI BHARGAVA

Company Secretary

Sd/-

Dr K ANILKUMAR

Executive Director

Sd/-

ARVIND AGARWAL

Chief Financial Officer

KERALA AYURVEDA LIMITED

CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

SL	Particulars	Note No.	For the period ended	For the period ended
			31st March, 2016	31st March, 2015
			Amount in `.	Amount in `.
1	Gross revenue from operations	19	486,224,105	414,449,959
	Other income	20	710,974	368,264
			486,935,079	414,818,223
	Less: Excise Duty & VAT		26,746,692	24,171,141
2	Net revenue from operation		460,188,387	390,647,082
3	Expenses			
	(a) Cost of Materials consumed	21	85,161,264	84,008,822
	(b) Purchases of Medicines (Stock In Trade)	22	8,018,673	3,370,238
	(c) Changes in Inventories of FG, WIP & Stock In Trade	23	2,729,674	(8,961,081)
	(d) Employee benefits expense	24	142,057,394	128,509,958
	(e) Finance costs	25	15,403,243	17,574,195
	(f) Depreciation & Ammortisation	26	19,877,993	11,454,466
	(g) Other expenses	27	150,191,988	124,238,339
	(h) (Gain)/ Loss on conversion to INR		(4,334,736)	(1,291,411)
	Total Expenses		419,105,494	358,903,526
4	Profit Before Extraordinary items and Tax (2 -3)		41,082,893	31,743,555
5	Add: Exceptional Items		-	-
6	Profit / (Loss) Before Extraordinary items and Tax(4 -5)		41,082,893	31,743,555
7	Add: Extraordinary Items		-	-
8	Profit Before Tax (6+7)		41,082,893	31,743,555
9	Tax expense:		-	-
	(a) Current tax		-	3,100,108
	(b) Deferred tax		(13,714,576)	3,493,594
			(13,714,576)	6,593,702
10	Profit for the period (8 ± 9)		27,368,317	25,149,853
11	Less Minority Interest		355,821	1,594,173
12	Profit for the year after minority Interest (10-11)		27,012,496	23,555,680
13	Loss Brought forward		(315,508,194)	(339,063,874)
14	Loss Carried forward		(288,495,698)	(315,508,194)
10	Earnings Per Equity Share			
	Basic & diluted [Nominal value of shares ` . 10/- each]		2.59	2.38
	Significant Accounting Policies			
	See accompanying notes 1 to 36 forming part of the financial statements.			

In terms of our report attached.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/-

BIJU GEORGE, B Sc, FCA

Proprietor
MEM REGN No. 206233

Bengaluru
28th May, 2016

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

Sd/-

RAMESH VANGAL

Chairman

Sd/-

ITTI BHARGAVA

Company Secretary

Sd/-

Dr K ANILKUMAR

Executive Director

Sd/-

ARVIND AGARWAL

Chief Financial Officer

KERALA AYURVEDA LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	For the year	For the year
	Ended 31st March, 2016	Ended 31st March, 2015
	Amount in ₹	Amount in ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and Interest	56486136	49317751
Adjustment for:		
Interest Received	(705724)	(366014)
Dividend Received	(5250)	(2250)
Depreciation	18974395	10601840
Miscellaneous Expenditure & Deferred Expenditure Written off	903598	852626
Deferred Expenditure Goodwill & Patent		(117279)
(Profit)/ Loss on sale of fixed assets	(20943)	(61099)
Operating profit before working capital changes	75632212	60225576
Adjustments for:		
Trade receivables	(4686395)	(3207467)
Inventories	2109374	(10881242)
Short Term loans and advances	1093327	(11019082)
Long Term loans and advances	(6814757)	(39448571)
Long Term Provisions	281424	(1097217)
Other Long Term Liabilities	200000	(25000)
Trade Payables	(3823686)	2063440
Other Current Liabilities	(3207234)	7275281
Short Term Provisions	(2969977)	742937
Cash generated from operations	(17817924)	(55596921)
Direct Taxes Paid		(3100108)
Net cash from operating activities A	57814288	1528547
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(32796830)	(3740810)
Sale of fixed assets	119450	258796
Investment-Share Application Money		(262500)
Dividend Received	5250	2250
Interest Received	705724	366014
Net cash used in Investing activities B	(31966406)	(3376250)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment (-)/ Proceeds(+) of Secured Loans		
Repayment (-)/ Proceeds(+) of UnSecured Loans	(12445607)	20554007
Net Increase/ (Decrease) in Working Capital Borrowings	1114924	16965465
Finance Cost	(15403243)	(17574195)
Net cash from financing activities C	(26733926)	19945277
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(886044)	18097574
Cash & Cash Equivalents at Beginning of year	23626366	5528792
Cash & Cash Equivalents at End of year	22740322	23626366
Net Increase/ (Decrease) in Cash & Cash Equivalents	(886044)	18097574

In terms of our report attached.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B Sc, FCA

Proprietor
MEM REGN No. 206233

Bengaluru
28th May, 2016

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

Sd/ -

RAMESH VANGAL

Chairman

Sd/ -

ITTI BHARGAVA

Company Secretary

Sd/ -

Dr K ANILKUMAR

Executive Director

Sd/ -

ARVIND AGARWAL

Chief Financial Officer

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

Note 1-Significant Accounting Policies

1.1 Principles of Consolidation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and comply with the Accounting standards on consolidated financial statements (AS 21) and on Accounting for investments in associates in consolidated financial statements (AS 23), issued by the Institute of Chartered Accountants of India.

1.2 Basis of Preparation

The financial statement of the Kerala Ayurveda Limited and its subsidiaries are prepared on historical cost convention, on the accrual basis of accounting. Foreign subsidiaries results/accounts have been converted into Rupees value at year end rate of 1 US\$= ` 62.5908 and 1 Singapore \$= ` 45.4985.

1.3 Fixed Assets

- Fixed assets are stated at cost less depreciation. Cost includes expenses related to acquisition and installation of fixed assets.
- Depreciation on all other fixed assets is provided based on the useful lives of the asset as prescribed under Schedule II of the Companies Act 2013. Depreciation on additions has been calculated on prorata basis.

Assets	Useful Life in years (Schedule II)
Land	Nil
Building	30
Office Equipments	5
Computers & Peripherals	3
Vehicles	8
Furnitures & Fittings	10

1.4 Use of estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make 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.

1.5 Borrowing costs

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

1.6 Good Will

Good will arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Groups interest in the net value of identifiable assets, Liabilities and contingent liabilities of the subsidiary recognized at the date of acquisition. Good will is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

1.7 Inventories

Raw materials, consumables and work-in-progress are valued at cost or net realizable value, whichever is lower. Stores and Spares are valued at cost.

1.8 Revenue Recognition

Sales are net of rebate and discount and include excise duty and VAT. Treatment income & Consulting charges is recognized on completion of each service & consultation and research/healthcare consultancy income is recognized on accrual basis

1.9 Transactions in Foreign Exchange

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities at the year end are translated into rupees at the rate of exchange prevailing on the date of balance sheet. All exchange differences are dealt with in the statement of profit and loss account.

1.10 Employee Benefits / Retirement Benefits.

- Leave Encashment Benefit accounted on the basis that such benefits is payable to employees at the end of the year.
- Gratuity Provision is made based on actuarial valuation.
- Provident Fund contribution is as per the rate prescribed by the related Act.

1.11 Research & Development.

Revenue expenditure on research and development is charged to Profit & Loss account. Capital expenditure on research and development is included as a part of fixed assets and depreciated on the same basis as other fixed assets.

1.12 Investments

Investments are stated at cost less provision for diminution other than temporary in their values.

1.13 Intangible Assets

Intangible assets are recognized on the basis of the future economic benefits that will flow to the enterprise. The assets are recorded at the price paid to acquire them.

1.14 Impairment of assets

Impairment loss if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of useful life.

1.15 Provision for Tax

Income tax and Deferred tax provision for the year is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'timing difference' between book and taxable profit is accounted by using the tax rates and laws that are enacted or substantively enacted on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

1.16 Earnings Per Share

The basic and diluted earnings per share (E P S) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

	Particulars	As at 31st March, 2016		As at 31st March, 2015	
		Number of shares	In `	Number of shares	In `
2	Share capital				
	(a) Authorised Capital				
	Equity shares of ` 10/- each with voting rights	12,000,000	120,000,000	12,000,000	120,000,000
	(b) Issued Capital				
	Equity shares of ` 10/- each with voting rights	10,555,670	105,556,700	10,555,670	105,556,700
	(c) Subscribed and fully paid up				
	Equity shares of ` 10/- each with voting rights	10,555,670	105,556,700	10,555,670	105,556,700
	Total	10,555,670	105,556,700	10,555,670	105,556,700
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, 2016	10,555,670	-	-	10,555,670
	- Number of shares	105,556,700	-	-	105,556,700
	- Amount (In `)				
	Year ended 31st March, 2015				
	- Number of shares	10,555,670	-	-	10,555,670
	- Amount (In `)	105,556,700	-	-	105,556,700
(ii) Rights, Preferences and restrictions attached to Equity Shares:					
The Company has one class of equity shares, having a par value of ` 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, 2016		As at 31st March, 2015	
		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 Limited, Mauritius	6,493,435	61.52%	6,493,435	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, 2016				
	M/s Katra Holdings Ltd, the holding company	6,493,435			6,493,435
	As at 31st March, 2015				
	M/s Katra Holdings Ltd, the holding company	6,493,435			6,493,435

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Amount in ₹.	Amount in ₹.
3	Reserves and Surplus		
	Capital Reserve	4,541,879	4,541,879
	Share Premium	114,514,976	114,514,976
	General Reserve	1,798,000	1,798,000
	Surplus / (Deficit) in Statement of Profit and Loss		
	At the commencement of the year	(315,508,793)	(329,190,203)
	Add: Profit for the year	27,012,496	23,555,683
	Less: Carrying amounts of Fixed Assets debited to retained earnings where remaining useful life of the Asset is NIL as on 1st April 2014		(9,873,671)
	Net Surplus / (Deficit) in the Statement of Profit and Loss	(288,495,697)	(315,508,191)
	Total	(167,640,842)	(194,653,336)
4	Money Received against Share warrants		
	Warrant Application Money		1,494
	Total	-	1,494
5	Long-term borrowings		
	(a) Term Loan From Banks		
	Secured		
	Unsecured		
	Hire Purchase Loan	714,731	1,490,681
	(b) Loans and advances from related parties		
	Unsecured		
	Katra Holding Pvt Ltd	497,495,596	510,673,042
	Katra Finance Ltd, Mauritius	26,083,505	24,613,108
	Other Loans	663,300	625,908
	Total	524,957,132	537,402,739
	Note: Car loans are secured by hypothecation of respective vehicle		
6	Other Long-Term Liabilities		
	Deposits Received from Business associates	3,667,500	3,667,500
	Total	3,667,500	3,667,500
7	Long-term Provisions		
	Provision for Gratuity	8,134,739	7,853,315
	Total	8,134,739	7,853,315
8	Short Term Borrowings		
	Secured loan repayable on demand		
	Kotak Mahindra Bank-Ernakulam (OD)	22,700,901	16,518,339
	Kotak Mahindra Bank-Bangalore (OD)	49,017,820	58,618,722
	Kotak Mahindra Bank Short Term Loan	20,000,000	20,000,000
	Kotak Mahindra Bank-Bangalore (OD Ayurvedagram)	14,208,939	14,323,755
	(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 loan repayable on demand		
	ICD from Tata Global Beverages Limited	47,500,000	50,000,000
	(E.M. of 2 Acres and 4 Guntas of land bearing Survey no 49 of Sonnapanahalli Village, Doddaballapur Taluk, Bengaluru belong to Arudrama)		
	Kotak Mahindra Bank STL CSG	7,148,080	-
	(Secured by Lien on Fixed Deposit of ₹ 26,46,203/- held with Kotak Mahindra Bank and personal guarantee of two Directors)		
	Total	160,575,740	159,460,816

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Amount in ₹.	Amount in ₹.
9	Trade Payables		
	Sundry Creditors- Mfgs.	12,774,762	12,932,637
	Sundry Creditors- Others	15,577,054	19,242,865
	Total	28,351,816	32,175,502
10	Other current liabilities		
	(a) Other payables		
	Advances from Customers	20,522,166	23,845,383
	Statutory Liabilities	4,318,677	3,259,259
	VAT Payable	814,410	635,424
	TDS Payable	1,810,736	676,117
	P F ,ESI Etc	1,492,265	1,398,818
	Service Tax Payable	201,266	
	Accrued Employee Liabilities	16,547,078	16,702,943
	T A Payable	658,755	684,740
	Salary Payable	15,888,323	16,018,203
	Loans repayable within one year	794,291	3,325,207
	Rent Payable	4,023,981	3,779,600
	Other Current Liabilities	4,105,622	2,414,317
	Total	50,311,815	53,326,709
11	Short-term provisions		
	(a) Provision - Others:		
	Bonus Payable	3,623,993	4,008,369
	Privilege Leave Encashment Payable	497,171	519,051
	Provision for taxation	1,506,726	4,070,447
	Total	5,627,890	8,597,867
13	Non Current Investments		
	Non Trade		
	(Quoted, At cost)		
	500 equity shares of Rs 10 each fully paid up in Canara Bank Ltd(Quoted) Market Value Rs 189.85 last Year Rs 367.90 per share	17,500	17,500
	(Unquoted, At cost)		
	114 Equity Shares of Rs.10000/- each in (100 Equity Shares of Rs.10000/- each in) Confederation for Ayurvedic Renaissance Keralam Pvt Ltd Share application money in Confederation for Ayurvedic Renaissance Keralam Pvt Ltd	1,262,500	1,000,000
	Total	1,280,000	1,280,000
14	Long-Term loans and advances		
	(Unsecured, considered good unless otherwise stated)		
	Deposits with Govt. Authorities	978,772	889,171
	Deposits with others	8,671,795	8,715,085
	Income Tax advance	4,931,591	7,213,785
	Project Expenses	54,643,081	44,978,253
	WIP Nurse Training Deferred	32,383,402	32,383,402
	Katra Finance Ltd, Mauritius	145,816,304	116,376,493
	MAT Credit Entitlement		180,226
	Capital Advance	546,455	30,420,228
	Total	247,971,400	241,156,643

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

Amount in `

Note 12 Fixed Assets

Tangible Assets	Gross Block					Depreciation					Net Block		
	Balance as at 01-04-2015	Addition	Disposals	effect of foreign currency exchange differences	Balance as at 31-03-2016	Balance as at 01-04-2015	For the year	Prior Period Depreciation	effect of foreign currency exchange differences	Deduction	Balance as on 31-03-2016	Balance as at 31/03/2016	Balance as at 31/03/2015
Land	122,018,671	-			122,018,671	-	-	-			-	122,018,671	122,018,671
Building	118,200,833	698,548	10,000		118,889,381	49,488,810	2,653,723			1,348	52,141,185	66,748,196	68,712,023
Building Temporary	-	29,883,242			29,883,242		9,463,027				9,463,027	20,420,215	
Building Lease hold	2,441,354			167,838	2,609,192	2,441,354			167,838		2,609,192	-	-
Plant & Machinery	37,949,747	406,099	101,869		38,253,977	24,857,938	1,505,368			17,617	26,345,689	11,908,288	13,091,809
Electrical fittings	4,813,063	104,218	6,050		4,911,231	3,585,537	207,317			4,622	3,788,232	1,122,999	1,227,526
Furniture & Fixtures	36,055,404	472,547	88,189	72,767	36,512,529	26,617,932	1,933,225		67,149	85,775	28,532,531	7,979,998	9,437,472
Office equipments	16,353,752	1,071,398		66,557	17,491,708	14,363,813	818,988		42,361		15,225,162	2,266,546	1,989,940
Computer & Accessories	10,521,992	160,778	8,000	45,272	10,720,042	9,717,714	395,057		34,442	4,745	10,142,468	577,574	804,278
Vehicles	5,605,459				5,605,459	1,839,127	1,986,837				3,825,964	1,779,495	3,766,332
Misc fixed assets	2,494,435				2,494,435	133,372	10,854				144,226	2,350,209	2,361,063
TOTAL	356,454,710	32,796,830	214,108	352,434	389,389,867	133,045,597	18,974,396	-	311,790	114,107	152,217,676	237,172,190	223,409,113
Previous Year	354,269,208	3,740,810	869,646	685,662	356,454,710	113,887,886	10,601,840	9,873,671	645,854	671,945	133,045,597	223,409,113	240,381,322

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

	Particulars	As at 31st March, 2016	As at 31st March, 2015
		Amount in ₹.	Amount in ₹.
15	Inventories (Inventory as taken, valued and certified by the management) (At lower of cost and net realisable value)		
	Finished Goods	30,856,608	33,088,089
	Goods in transit	329,956	1,134,468
	Furnace Oil	116,486	450,625
	Packing Material	2,488,594	2,432,082
	Raw Material	7,091,325	6,898,230
	Stores & Spares	69,074	83,509
	Work in Progress	18,649,706	17,624,121
	Total	59,601,749	61,711,124
16	Trade receivables (Unsecured, considered good unless otherwise stated)		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment	3,375,323	2,271,385
	Other Trade receivables	38,517,074	34,934,617
	Total	41,892,397	37,206,002
	Note: Trade receivables include debts due from:		
	Directors *	NIL	NIL
	Other officers of the Company *	NIL	NIL
	Firms in which any director is a partner	NIL	NIL
	Private companies in which any director is a director or member	NIL	NIL
17	Cash and cash equivalents		
	(a) Cash on hand	1,763,182	4,449,390
	(b) Cheques, drafts on hand	1,435,412	1,314,149
	(c) Balances with banks		
	(i) In Current accounts	16,299,841	16,973,629
	(ii) In Deposit accounts		
	Bank Deposits with original maturity for more than 12 months	3,241,887	561,886
	(d) Credit card Collection Due		327,312
	Total	22,740,322	23,626,366
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is Rs 22740322 (Previous Year Rs 23626366/-)		
18	Short-term loans and advances (Unsecured, considered good unless otherwise stated)		
	Advance for Purchase	2,442,161	7,310,921
	Other Advances	10,884,540	7,281,377
	Prepaid expense	515,575	343,305
	Total	13,842,276	14,935,603

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

Notes	Particulars	For the period ended 31st March, 2016	For the period ended 31st March, 2015
		Amount in ₹	Amount in ₹
19	Revenue from Operations		
	(a) Sale of products	286,996,957	242,722,467
	(b) Sale of services	199,227,148	171,727,492
	Total	486,224,105	414,449,959
	(a) Sale of products comprises: Sale of Ayurvedic Medicine	286,996,957	242,722,467
	Total	286,996,957	242,722,467
	(b) Sale of services comprises: Treatment Income	131,935,512	114,110,179
	Training Income	56,985,374	47,844,701
	Registration Fees	2,778,653	2,993,789
	Other Operational Income	7,527,610	6,478,523
	Total	199,227,148	171,727,492
20	Other Income		
	Interest Received	705,724	366,014
	Dividend Income	5,250	2,250
	Total	710,974	368,264
21	Cost of materials consumed		
	Raw Material		
	Opening stock	6,898,230	5,028,009
	Add: Purchases	67,245,400	68,030,345
	Less: Closing stock	7,091,325	6,898,230
	(A)	67,052,305	66,160,124
	Packing Material		
	Opening Stock	2,432,082	2,030,210
	Add: Purchase	18,165,471	18,250,570
	Less: Closing Stock	2,488,594	2,432,082
(B)	18,108,959	17,848,698	
	Cost of material consumed(A+B)	85,161,264	84,008,822
22	Purchase of Stock In Trade		
	Purchase of Medicines	8,018,673	3,370,238
	Total	8,018,673	3,370,238
23	Changes in Inventories of stock of F.G, WIP & Stock in trade		
	Inventories at the end of the year:		
	Stock of FG,WIP & Stock in Trade	46,386,561	49,116,236
		46,386,561	49,116,236
	Inventories at the beginning of the year:		
	Stock of FG,WIP & Stock in Trade	49,116,236	40,155,155
	49,116,236	40,155,155	
	Net (increase) / decrease	2,729,674	(8,961,081)
24	Employee benefits expense		
	Salaries and wages	123,896,026	111,984,719
	Contributions to provident funds	7,362,393	6,502,129
	Staff welfare expenses	10,798,975	10,023,110
	Total	142,057,394	128,509,958

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

Notes	Particulars	For the period ended	For the period ended
		31st March, 2016	31st March, 2015
		Amount in ₹	Amount in ₹
25	Finance costs		
	(a) Interest expense on:		
	(i) Borrowings	11,468,562	15,017,453
	(ii) Others	-	-
	- Bank Charges	2,450,633	1,200,359
	- Other Interest	1,484,048	1,356,383
	Total	15,403,243	17,574,195
26	Depreciation expense		
	Depreciation	18,974,395	10,601,840
	Amortisation of Goodwill and Project Expenses	903,598	852,626
	Total	19,877,993	11,454,466
27	Other expenses		
	Rent	16,077,141	16,499,623
	Rates and Taxes	2,329,588	2,271,597
	Legal & Professional charges	14,641,674	7,665,054
	Directors Sitting Fee	270,000	205,000
	Research and Development Expenses	234,662	772,094
	Travelling -Others	3,908,052	2,642,529
	Loss on sale of fixed Asset	9,208	10,608
	Publication Expenses	-	125,935
	Repairs & Maintenance- Others	4,794,469	3,407,473
	Vehicle Maintenance	267,370	247,053
	Insurance	437,309	455,692
	Printing & Stationery	1,783,071	1,259,956
	Postage & Telephone	3,265,823	2,816,604
	Secretarial Expenses	1,423,584	876,524
	Repairs & Maintenance Branch assets	1,550,049	1,476,880
	Conveyance Expenses	841,540	908,117
	Canteen Expenses	1,904,390	1,995,611
	Electricity charges (Branches/Depot)	1,555,191	2,976,516
	Other Administrative Expenses	7,831,334	8,463,496
	Audit fee	320,004	299,870
	Travelling -Sales Staff	7,888,624	7,389,056
	Advertisements	371,797	772,514
	Commission & Discount	9,691,012	11,923,882
	Training Expenses	9,530,040	9,915,920
	Freight Outward	6,166,448	5,105,261
	Sales promotion exp	9,031,071	3,717,833
	Other Selling & Distribution Expenses	2,252,303	1,239,818
	Fuel Consumed	3,070,105	4,328,308
	Electricity charges	2,466,493	1,205,166
	Repairs to Plant & Machinery	984,727	476,303
	Repairs to Building	2,010,916	2,018,176
	Job Works	17,432,175	12,063,917
	Other Manufacturing Expenses	3,649,877	2,344,240
	Cultivation Expenses	66,817	707,837
	Treatment Expenses	10,676,157	6,105,024
	Computer & Internet Expenses	1,958,973	53,828
	Total	150,191,988	124,238,339
	(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
	As auditors - Statutory audit & Tax Audit	275,875	196,180
	For company law matters	57,934	76,090
	Reimbursement of expenses	36,245	27,600
	Total	320,004	299,870

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

28	Consolidation			
	a. Nutraveda Pte Ltd incorporated in Singapore on 29 th June 2009 is yet to commence business.			
	b. Details of Subsidiaries			
	Name of the company	Country of Inc.	% of Voting Power	Financial year
	Ayurvedagram Heritage Wellness Center Pvt Ltd	India	74%	April-March
	Ayu Natural Medicine Clinic, PS	USA	100%	April-March
	Ayurvedic Academy INC.	USA	100%	April-March
	Nutraveda INC.	USA	100%	April-March
	Nutraveda Pte Ltd	Singapore	100%	April-March
	CMS Katra Holdings LLC *	USA	81.67%	April-March
	CMS Katra Nursing LLC	USA	100%	April-March
	* CMSKatraNursing LLC, is a step down Wholly owned subsidiary of the company where CMSKatra Holdings LLC holds 51% voting power and 49% is held thru Nutraveda Inc.			
	Principles of consolidation			
	1. The consolidated financial statement is based on the audited financial statements of the subsidiaries for their respective financial years.			
	2. The financial statement of the parent company and its subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, Liabilities, Income and expenses. All intra group balances and transactions have been eliminated on consolidation.			
	3. Minority interest in the net income and net assets of the consolidated financial statements are computed separately.			
29	Related party transactions			
	Details of related parties:			
	Description of relationship	Names of related parties		
	Holding Company	Katra Holdings Ltd, Mauritius		
	Subsidiary Companies	Ayurvedagram Heritage Wellness Centre Pvt Ltd		
		Nutraveda 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.		
		Ayusante Lifecare India Pvt Ltd		
		KAL Ayurveda Research Foundation		
		Katra Holding Pvt. Ltd.		
		Katra Finance Ltd, Mauritius		
		Katra Phytochem India Pvt. Ltd.		
		Mason & Summers Leisure Pvt. Ltd.		
		Confederation for Ayurvedic Renaissance Keralam Ltd.		

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

Director/ Key Managerial Person	Dr K Anil Kumar, Whole time Director
	Mr M C Mhan, Director
	Mr Arvind Agarwal , CFO
	Ms Itti Bhargava, Company Secretary
	Mr K. Paghunadhan, Company Secretary
	Ms Anusha Rajeswaran, Company Secretary
Relative of key Managerial Person	Mrs Sunitha Anilkumar
	Mrs Chithra Gopinath

Note: Related parties have been identified by the Management.

Details of related party transaction during the year ended 31st March, 2016 and balance outstanding as at 31st March, 2015

Particulars	31st March, 2016	31st March, 2015
Purchase of Raw Materials- All Season Herbs Pvt Ltd	2,260,706	3,717,862
Purchase of Raw Materials- Confederation for Ayurvedic Renaissance Keralam Ltd	736,058	1,639,389
Fendering of services- Mason & Summers Leisure P Ltd	401,562	298,795
Rent Paid-Sunitha Anil Kumar and Chithra Gopinath	-	762,500
Managerial Remuneration-Dr K Anilkumar	3,000,000	3,000,000
Remuneration paid to Mr Arvind Agarwal , CFO	4,746,845	2,568,472
Remuneration paid to Mr K. Paghunadhan, Company Secretary up to 10/ 02 / 2015	-	609,836
Remuneration paid to Ms Anusha Rajeswaran, Company Secretary w.e.f 10/ 02/ 2015	-	101,561
Remuneration paid to Ms Itti Bhargava, Company Secretary w.e.f 13/ 08/ 2015	391,667	-
Reimbursement of Expenses by Ayusante Lifecare India Pvt Ltd	-	1,302,500
Reimbursement of Expenses by Katra Holding Pvt Ltd	-	3,314
Loans/ (Repayment) from Katra Holding Pvt Ltd	(13,177,446)	28,938,221
Borrowings- from Katra Finance Ltd, Mauritius	1,470,397	979,557
Balances outstanding at the end of the year		
Borrowings- from M C Mhan	663,300	625,908
Borrowings- from Katra Finance Ltd, Mauritius	26,083,505	24,613,108
Borrowings- from Katra Holding Pvt Ltd	497,495,596	510,673,042

30 Contingent Liabilities

Particulars
I. The company has given a bank guarantee of ` 10,00,000/- to Health & Family Welfare Dept, Government of Kerala towards security deposit for giving permission to start one year para medical certificate course in Ayurveda Therapy.
II. The company has given a bank guarantee of ` 5,00,000/- to The Registrar, Banaras Hindu University towards security deposit for setting up Kerala Ayurveda Panchakarma Center at S S Hospital under BHU.
III. The company has given a bank guarantee of ` 90,000/- to Commissioner, Delhi Value Added Tax towards VAT registration at Delhi
IV. The company has given a bank guarantee of ` 50,000/- to Commissioner, Delhi Value Added Tax towards F Form.
V. The company has given a bank guarantee of ` 25,000/- to CTO, Madanapally, Andhra Pradesh Value Added Tax towards CST registration .
VI. The company has given a bank guarantee of ` 56,903/- to Asst Commissioner of CTO, Aluva, Kerala towards margin for Appeal .

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2016

31 Deferred tax assets/ (liabilities)			
Particulars	As at 31st March, 2015	Movement	As at 31st March, 2016
Book/ Tax depreciation difference	(12,757,296)	(5,594,508)	(18,351,804)
Provision for Gratuity	2,581,007	86,960	2,667,967
Carry forward of business Loss	10,565,651	(8,207,030)	2,358,622
Unabsorbed Depreciation Carried forward	17,105,823		17,105,824
Total deferred tax liability	17,495,185	(13,714,578)	3,780,609
32 Earnings/ (Loss) per share :			
Particulars	31st March, 2016	31st March, 2015	
Net Profit / (Loss) after Tax	25,149,854	27,368,317	
Weighted Average Number of Shares outstanding during the year	10,555,670	10,555,670	
Earnings/ (Loss) Per Share (Rs.)	2.38	2.59	
Nominal Value of Shares (Rs.)	10.00	10.00	
33 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.			
34 Previous year figures have been re-grouped / re-classified wherever necessary to correspond with the current year classification/ Disclosure.			
35 During the previous year, the company has changed the depreciation policy as per the Schedule II of the The Companies Act 2013 and depreciation is provided over the useful life of the asset. Prior to the this, the company was following SLM method as per the Companies Act 1956. Due to the change in policy, the depreciation of ` 98,73,671/- has been adjusted to the opening retained earnings.			
36 Share Warrant Application money forfeited in 2007, has been reclassified under Capital Reserve			

In terms of our report attached.

For BIJU GEORGE & CO

Chartered Accountants
FRN: 007920S

Sd/ -

BIJU GEORGE, B Sc, FCA

Proprietor
MEM REGN No. 206233

Bengaluru
28th May, 2016

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

Sd/ -

RAMESH VANGAL

Chairman

Sd/ -

ITTI BHARGAVA

Company Secretary

Sd/ -

Dr K ANILKUMAR

Executive Director

Sd/ -

ARVIND AGARWAL

Chief Financial Officer

KERALA AYURVEDA LIMITED

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

<u>HOSPITALS: IN KERALA</u>	ACADEMY	<u>HEALTH RESORT</u>
<p>KERALA AYURVEDA HOSPITAL MONASTERY LANE. A M ROAD <u>ALUVA</u> 683101 ERNAKULAM DIST. PH: 0484 2626119,2626966</p> <p>KERALA AYURVEDA HOSPITAL OP WING KAMATH HOSPITAL WING NEAR NEW BUS STAND MANGALORE ROAD, <u>KASARGODE</u>-671 121. PH: 0499-4222519</p> <p>KERALA AYURVEDA HOSPITAL OPPOSITE AXIS BANK, BANK ROAD, <u>KASARAGODE</u>-671 121 PH : 0499-4222519</p>	<p>KERALA AYURVEDA ACADEMY MONASTERY LANE. A M ROAD <u>ALUVA</u> - 683 101. PH: 0484-2628707</p> <p>KERALA AYURVEDA ACADEMY ANNEX KANIYELI HOUSE, MAHILAYAM ROAD THOTTUMUGHAM P O <u>ALUVA</u> - 683105 PH:0484-2628707</p> <p>TREATMENT CENTRES-OUTSIDE KERALA KERALA AYURVEDA WELLNESS CENTER AD 20 (PLOT NO.3337) 5th AVENUE, ANNA NAGAR, CHENNAI-600 040. TAMIL NADU PH: 044-26214903</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 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>AYURVEDAGRAM AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT LTD HEMANDANAHALLI, SAMETHANHALLI POST, VIA WHITEFIELD, BENGALURU-560067. 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>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>DEPOTS IN KERALA:</u></p> <p>KERALA AYURVEDA DEPOT SHOP NO.2/ 1402, MARKET ROAD-KARAPARAMBU CALICUT(KOZHIKODE)- 680 014 PH: 9562508420</p> <p>KERALA AYURVEDA DEPOT 9/ 285 M, PANAYIKKULAM P O ALANGAD, ERNAKULAM 683511 PH: 0484-2672730</p>	<p><u>DEPOT OUTSIDE KERALA:</u></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: 022-60021021</p> <p>KERALA AYURVEDA DEPOT PLOT NO.200/ 2, GROUND FLOOR NEAR GAUTHAM APARTMENTS GAUTHAM NAGAR NEW DELHI -110049 PH:011-41618884</p> <p>KERALA AYURVEDA DEPOT 38, DEGHAM JAIN SOCIETY, KASHIB ROAD, RANIP, AHMEDABAD- 380 014 PH: 079-27540263</p> <p>KERALA AYURVEDA DEPOT 26,SRISAIRAM STREET, PANEER NAGAR, MOGAPPAIR, CHENNAI-600 037. TAMIL NADU PH: 044-26560217, 98844 85161</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 NO.67, 1ST FLOOR SREEKUMARAGIRI 12TH MAIN, 26TH CROSS 2ND BLOCK, RAJAJINAGAR BANGALORE - 560 010</p> <p>KERALA AYURVEDA DEPOT B36/ 9C, SANKATMOCHAN- LANKA, VARANASI, UTTAR PRADESH-221005</p>
<p><u>CLINICS IN KERALA</u></p> <p>KERALA AYURVEDA CLINIC FACT EMPLOYEES BUILDING <u>UDYOGAMANDAL</u>. ERNAKULAM DIST-683 501 PH: 0484-2546313</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>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 CENTER AAROGYAM,52,DHULESHWAR BAGH SARDAR PATEL MARG, C-SCHEME, JAI PUR - 302 001.RAJASTHAN PH: 0141-4022422</p> <p>FACTORY OUTLET</p> <p>KERALA AYURVEDA LIMITED FACTORY OUTLET VII/ 415, NEDUMBASSERY ATHANI P.O., ALUVA - 683 585. PH: 0484-2476301</p>	
<p>CLINICS OUTSIDE KERALA</p> <p>KARNATAKA: KERALA AYURVEDA CLINIC 12, BOWRING HOSPITAL ROAD, SHI VAJI 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>MAHARASHTRA:</p> <p>KERALA AYURVEDA CLINIC DISPENSARY COMPLEX, SNMS AYURVEDA DISPENSARY, 3 & 4, PROJECT COLONY, TARAPUR, TAPP P.O.-401 504. PH: 02525-263823</p>	<p>FOR ANY QUERY PLEASE WRITE TO info@keralaayurveda.biz</p>	

KERALA AYURVEDA LIMITED

Regd. Off: VII/415, Nedumbassery, Athani P.O, Aluva-683585, Kerala.

CIN:L24233KL1992PLC006592

ANNUAL GENERAL MEETING

Attendance Slip

Folio No./DPID No.& Client ID No. :

Name of the shareholder(s) :

No. of shares :

I/We hereby record my/our presence at the 24th ANNUAL GENERAL MEETING of the company on **Thursday, the 29th September, 2016 at 3:30 P.M at Green Park Auditorium, Desom, Aluva-683 103.**

Signature of the Attending Member

Signature of the Proxy

Notes:

1. Shareholders/Proxy holders who wish to attend the meeting are requested to bring this Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. Shareholders/Proxy holders should bring their copy of the Annual Report for the meeting
3. Shareholders desiring to appoint proxies to attend the meeting are requested to send the attached proxy form, duly completed and signed, to reach the Secretarial Department, Kerala Ayurveda Ltd, VII/415, Nedumbassery, Athani P.O, Aluva 683 585 not less than 48 hours before the commencement of the meeting.
4. The registration at venue shall be from 3:00 pm to 3:30 pm strictly.

Form No.MGT-11

Proxy Form

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

CIN : L24233KL1992PLC006592
 Name of the Company : KERALA AYURVEDA LIMITED
 Regd. Off: VII/415, Nedumbassery, Athani P.O, Aluva-683585, Kerala.
 Ph: 0484-2476301(4 lines) Fax: 0484-2474376
 Email: info@keralaayurveda.biz Website: www.keralaayurveda.biz

Name of the Member(s) :
 Registered Address :
 E-mail Id :
 Folio No./Client Id &DP. Id :

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

1.Name:Address:..... E-mail Id: Signature:..... or failing him
2.Name:Address:..... E-mail Id: Signature:..... or failing him
3.Name:Address:..... E-mail Id: Signature:..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on Thursday the 29th day of September 2016 at 3.30 p.m.at Green Park Auditorium, Desom, Aluva-683103 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of the Audited Financial Statements (including consolidated financial statements) of the company for the Financial Year ended 31st March, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. Appointment of a Director in place of Ms. Katarzyna Zimpel, (DIN 00264084) who retires by rotation and being eligible, offers herself for re-appointment.
3. Ratification of appointment of Statutory Auditors, M/s. Biju George & Co.
4. Appointment of Mr. Kshiti Ranjan Das (DIN 07212449) as an Independent Director.
5. Appointment of Mr. Gokul Patnaik (DIN 00027915) as a Director of the company, liable to retire by rotation.

Signed thisday of.....2016

Signature of shareholder(s)

Signature of Proxy holder(s)

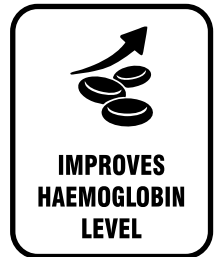
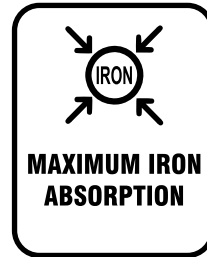
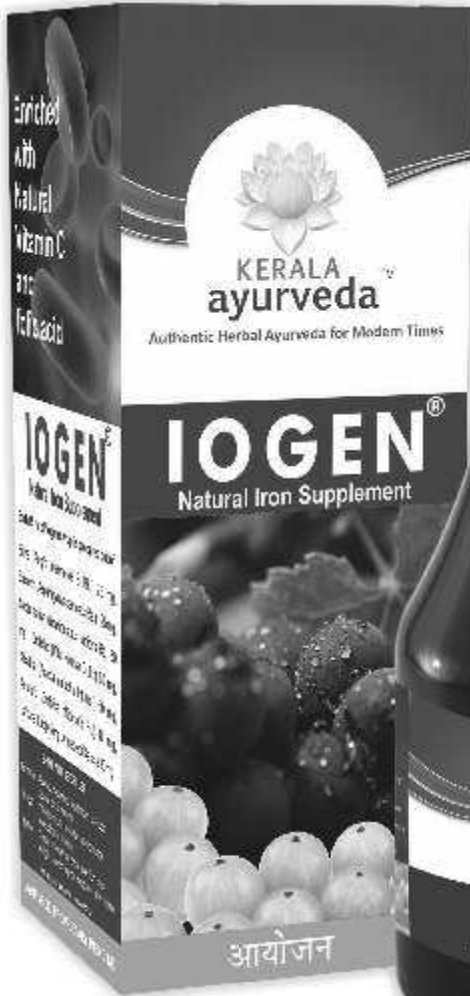
Affix Re.1/-
Revenue
Stamp

1. A shareholder may vote either for or against each resolution.
2. This form of proxy should be duly completed and must be deposited at the Secretarial Department, KERALA AYURVEDA LIMITED, Regd. Off: VII/415, Nedumbassery, Athani P.O, Aluva-683585 not less than 48 hours before the commencement of the meeting.



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Signature.....
Folio No.....

VALID UPTO 31.03.2017

15% DISCOUNT
ON M.R.P. ` 250/-

Name.....
Signature.....
Folio No.....

VALID UPTO 31.03.2017

15% DISCOUNT
ON M.R.P. ` 250/-

Name.....
Signature.....
Folio No.....

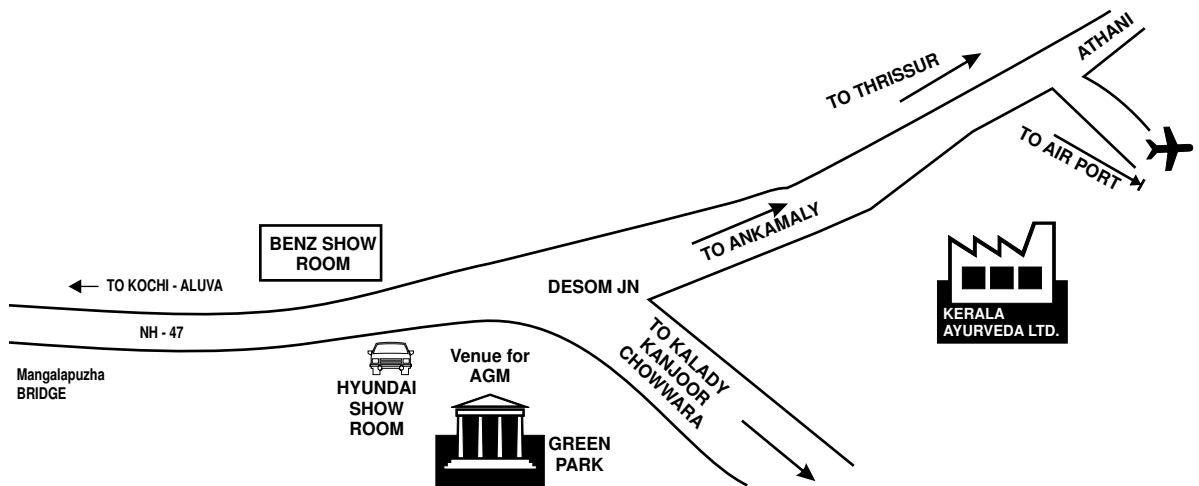
VALID UPTO 31.03.2017

15% DISCOUNT
ON M.R.P. ` 250/-

Name.....
Signature.....
Folio No.....

VALID UPTO 31.03.2017

Route Map





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Medicine



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Cochin

thehealthvillage@keralaayurveda.biz
www.thehealthvillage.biz

EXPERIENCE THE AUTHENTIC AYURVEDIC TRADITION

If undelivered, please return to:

Kerala Ayurveda Limited

CIN: L24233KL1992PLC006592

Registered Office & Factory: VII/415, Nedumbassery, Athani P.O., Ernakulam District, Kerala - 683585.

Tel: 0484 - 2476301/2/3/4, Fax: 0484 - 2474376

Corporate Office: No.1134, 1st Floor, 100 Feet Road, HAL 2nd Stage, Indiranagar, Bengaluru - 560008.

Tel: 080 - 41808000, Fax: 080 - 41808043, Email: info@keralaayurveda.biz

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