

KAL/COR/BSE/ 09/ 484/2024

9th July, 2024

The Manager

Dept. of corporate services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Kerala Ayurveda Limited, Scrip code:530163

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that:

1. Kerala Ayurveda Limited ("**the Company**") has received a notice dated July 8, 2024, from Mr. Ouma Shankar Ochit of Nexia Baker and Arenson, Mauritius, who has been appointed as the Liquidator of Katra Holdings Limited (KHL), Mauritius ("**the Notice**").
2. The Board of Directors held an emergency meeting on July 9, 2024, to discuss this development and has considered a Briefing Note provided by Mr. Ramesh Vangal, the Ultimate Beneficial Owner of KHL.

Key points from the Notice and the Board's deliberations:

- (a) KHL, which owns 53.58% of the issued share capital of the Company, was ordered to be wound up by the Supreme Court.
- (b) Mr. Ouma Shankar Ochit was appointed as the Liquidator of KHL on June 19, 2024 by order of the Supreme Court of Mauritius. He is appointed at the behest of Standard Chartered Bank (Mauritius), the creditor to KHL.
- (c) The Liquidator has informed that he now has custody and control of the shares held by KHL in the Company and no trades are to be allowed on this stake without his authorization.

Additional context from Mr. Vangal's Briefing Note:

- (d) The liquidation of KHL stems from a complex transaction in 2007 involving the acquisition of shares in Tamilnad Mercantile Bank Ltd (TMB), financed by loans from Standard Chartered Bank (Mauritius).

- (e) On August 14, 2020, the Enforcement Directorate (ED) issued an order finding Standard Chartered Bank, Mumbai, the TMB, and the board of directors of TMB, guilty of contraventions under the Foreign Exchange Management Act (FEMA) related to this transaction. KHL was not a party to the proceedings.
- (f) Despite the ED's findings, Mauritian courts and the Judicial Committee of the Privy Council ruled in favor of Standard Chartered Bank, leading to the current liquidation proceedings based on Mauritian law and not considering its effect under the laws of India.
- (g) Standard Chartered Bank continues to hold substantial collateral for the loan in contravention of Indian law and as such enforcement of the loan through liquidation is itself is illegal and he is presently pursuing all actions as may be advised his legal counsel.

The Board is carefully assessing the full implications of this Notice and Mr. Vangal's assertions, including its potential impact on the Company's governance and operations. We are actively exploring all legal options to protect the Company's interests and those of all our stakeholders.

The Board has decided to:

- (a) Form a special committee to handle this matter and liaise with the Liquidator
- (b) Engage legal advisors to understand the potential impact on the Company and explore possible courses of action.
- (c) Develop an effective communication protocol to periodically update all stakeholders.

We assure our shareholders and stakeholders that the Company's operations continue as normal. The Board is committed to maintaining transparency and will provide further updates on any material developments in this matter as and when they occur.

This information is being provided to enable the public and shareholders to appraise the position of the Company and to avoid the establishment of a false market in the Company's securities.

We request you to kindly take this information on record.

Thanking you,

Yours faithfully,
For **Kerala Ayurveda Limited**

Jyothi Gulecha
Company Secretary
Membership No:A63350

