

KAL/COR/BSE/09/513/2024

August 29, 2024

**The Manager**

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

Scrip Code: 530163

Dear Sir/Ma'am,

**Sub.: Notice of the 32<sup>nd</sup> Annual General Meeting (“AGM”) and the Annual Report 2023-24**

Pursuant to Regulation 30 & 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the Notice convening the 32<sup>nd</sup> Annual General Meeting of the members of the company and the Annual Report for 2023-24, which is being circulated to the members through electronic mode. The 32<sup>nd</sup> AGM is scheduled to be held on Friday, September 20, 2024 at 11:00 a.m. (IST) through video conferencing/ other audio-visual means (“VC/OAVM”). Details pertaining to the AGM and e-voting-

| S. No | Particulars                                     | Details   |
|-------|---|---|
| 1.    | Remote e-voting start date and time             | Sunday, September 15, 2024 at 9:00 am (IST)   |
| 2.    | Remote e-voting end date and time               | Thursday, September 19, 2024 till 5:00 am (IST)   |
| 3.    | Cut-off/ record date for e-voting               | Friday, September 13, 2024  |
| 4.    | Book closure (Register of Members) date for AGM | Sunday, 15 <sup>th</sup> September, 2024 to Friday 20 <sup>th</sup> September, 2024 (both days inclusive) |

**Registered Office :**  
**Kerala Ayurveda Limited (An ISO 9001:2015 Certified Company)**  
Athani post, Ernakulam District, Kerala-683585, India  
CIN:L24233KL1992PLC006592  
Ph: +91 484 2476301/2/3/4

**Corporate Office :**  
**Kerala Ayurveda Ltd, Ground Floor, BKN Ambaram Estate**  
No.648/1, 1<sup>st</sup> Main, Binnamangala, 1<sup>st</sup> Stage  
Indiranagar, Bengaluru-560038 Ph:+91- 080-43760897

email: [info@keralaayurveda.biz](mailto:info@keralaayurveda.biz)  
[www.keralaayurveda.biz](http://www.keralaayurveda.biz)

Further, in terms of Regulation 46 of the Listing Regulations, the aforesaid information is also available on the website of the company <https://www.keralaayurveda.biz/>.

We request you to take the same on record.

Thanking you,

For **Kerala Ayurveda Ltd.**

George K T  
Chief Financial Officer and Compliance Officer  
PAN: ARPPG8485P





# ANNUAL REPORT 2023-24

## KERALA AYURVEDA LTD

Website: [www.keralaayurveda.biz](http://www.keralaayurveda.biz)

VII / 415, Nedumbassery, Athani PO,  
Aluva, Kerala , India. PIN - 683585

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

## CEO

Mr. Vivek Sunder

## CFO

Mr. George K T

## COMPANY SECRETARY

Ms. Jyothi Gulecha

## REGISTERED OFFICE & FACTORY

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

## CIN

L24233KL1992PLC006592

## CORPORATE OFFICE

Kerala Ayurveda Ltd  
Ground Floor  
BKN Ambaram Estate  
No.648/1, 1st Main  
Binnamangala  
1st Stage, Indiranagar  
Bengaluru- 560038

## SECRETARIAL AUDITORS

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

## BANKERS

SBM Bank (India) Ltd

## **BOARD COMMITTEES**

### **AUDIT COMMITTEE**

Mr. Subramaniam Krishnamurthy, Chairman

Mr. Anand Subramanian, Member

Mr. Harish Kuttan Menon, Member

### **NOMINATION AND REMUNERATION COMMITTEE**

Mr. Subramaniam Krishnamurthy, Chairman

Mr. Harish Kuttan Menon

Mr. Ramesh Vangal, Member

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Anand Subramanian, Chairman

Dr. Kunjupanicker Anilkumar, Member

Mr. Subramaniam Krishnamurthy, Member

### **REGISTRAR & TRANSFER AGENTS**

M/s. Integrated Registry Management Services Pvt. Ltd. Kences Towers No.1

Ramakrishna Street T Nagar, Chennai - 600 017.

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

E-mail : [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in)

### **STATUTORY AUDITORS**

M/s. Maharaj Rajan and Mathew

Chartered Accountants

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

Palarivattom, Kochi-682 025

### **INTERNAL AUDITORS**

Mr. Biju George, Chartered Accountant

Vellaringattu Towers, Thodupuzha - 685584

# CHAIRMAN'S LETTER



Dear Shareholders,

In FY 2023-24, we see ourselves on the cusp of strong, digitally driven business, enabling customers across the world to experience the full stack of Ayurveda offerings—products, services, and education—which is unique to Kerala Ayurveda Ltd.

**KAL Consolidated Revenue up 21% in FY 2023-24 to Rs. 11307 Lakhs, EBITDA up 179% to Rs. 708 Lakhs**

- Aiming to double the growth rate in the year ahead to 35-40% topline growth.
- Growth fuelled by fresh investments in world-class talent and technology and international expansion, the bulk of whom are on board by September 2024.

Kerala Ayurveda revenue grew by a strong 21% (16% excluding Ayurvedagram Bali) over the previous year. This reflects strong growth in the Health Service business, including Ayurvedagram Bali (+42%) and India/US Ecommerce (+29%). We are in the process of restructuring our 50:50 JV to consolidate Ayurvedagram Bali revenues into KAL.

Consolidated EBITDA reported in FY 2023-24 is Rs. 708 Lakhs vs. Rs. 254 Lakhs in the same period 2022-23, driven by strong performance in premium health services.

We have finalized both the team and the strategy for growth in FY 2024-25 and beyond and are aiming to double the growth rate of the company. We have successfully brought in world-class talent into the company to transform all aspects of this business. As we take the next two quarters to invest in people and technology, we will likely see a short-term impact on the profitability of the business, and these investments will bear fruit by the end of CY 2024 and beyond.

Total Health Service (HS) revenue, including Ayurvedagram and AVG Bali, saw a healthy 42% growth vs. PY. Ayurvedagram sales today reflect a larger share of Indian guests compared to the past. The foreigner segment, which had declined due to COVID-related fears, is back, and now with the new Ayush Visa, will continue to grow.

The global ecommerce business has grown 29%. India e-commerce had a healthy growth of 27% vs. PY. US eCommerce grew 34% over PY. We continue to make investments into this business given the global potential of this channel, especially with an E-business head joining us in June.

India Doctor Distribution business was relatively slow at 10% and will need restructuring to grow faster. The DKALP model will be a part of that new strategic push. We have a world-class Distribution Leader who has just joined us and will lead that restructure.

US Academy business at +6% continues to recover from the impact of the regulatory change in the past year, which necessitated physical classes for long-term courses. The good news is that the regulatory change is now back to being favorable, and we should grow this strategic part of our business strongly in FY 2024-25.

### **FUTURE PERSPECTIVE**

At KAL, we have a brilliant future post-pandemic when there is a disaffection with the 'chemicalization' of everyday life and a strong trend to go back to nature. We are strongly positioned as a full-spectrum, listed Ayurveda company based on scientific validation grounded in safety, purity, and efficacy. Our breakthrough US patent on metabolism is a strong indication of our scientific credentials and enshrines therapeutic benefits from unique natural product combinations.

Our go-forward strategy and team build on the power of the Kerala tradition and take the authentic Kerala form of Ayurveda to the world—in education, in services, and in products.

#### **Reiterating the company's unique strengths:**

- A full stack (products + services + education) authentic Ayurvedic institution that has been serving millions of customers across the world for eight decades.
- World-class facilities providing patients with life-changing therapeutic care, making them lifelong fans.
- Over 300 products made with zero compromise on safety and superior efficacy, making them the brand of choice for doctors and customers worldwide.

#### **The world is changing:**

Millions of customers worldwide are discovering (or rediscovering) the magic captured in the ancient traditions of India that hold harmony with nature as the central pillar of health and happiness. Yoga is now mainstream. It is now time for its cousin, Ayurveda, to heal the world by awakening the healer within.

Digital innovation has made possible things that seemed like science fiction just a few decades ago. The age of hyper-personalization is here—every human's uniqueness is now possible to customize for. Every single field is leveraging digital and AI to solve problems that seemed intractable until recently. Ayurveda, with its deep roots and hyper-personalized care system, is apt for digitalization.

#### **Talent is now flocking to KAL:**



Employees of the present day and age seek roles in companies that they see as aligned to their values and ones that are doing good for society and community. They want to work in an entrepreneurial fashion and deliver impact across the world.

We have been able to attract world-class talent across critical functions—product and technology, digital business leadership, medical technology, marketing, and communications—in the past 6-9 months.

#### **The future is bright for the company:**

The huge potential for authentic Ayurveda, the timing being right globally, and the collection of an A-class team have led to the company finalizing a set of strategies and plans that will transform the company.

We expect the company to grow its revenues 7-10x over the coming decade and create great value for its shareholders, employees, and customers across the world.

#### **Expand Health Services Business:**

- Open 20 new day clinic centers across India (2 already up and running since April).
- Drive Ayurvedagram Bali business through improved marketing and customer engagement.
- Integrate our upcoming OmVeda Singapore partnership and scale therapy business along with product sales.
- Add new premium rooms at Ayurvedagram Bangalore.

#### **Step Change India Digital Business:**

- Revamp the KAL website and double down on D2C business.
- Drive advertising across both marketplaces and social media. Invest more in ads on the right platforms—FB, IM, Google, Amazon.
- Sharper focus on the right keywords—product and category.
- Improve brand positioning and visual imagery.
- Leverage JBP with marketplaces—Flipkart, 1mg, Nykaa.
- Explore E-Pharmacy and Quick commerce channels as growth plays.

#### **US Academy - A New Growth Story:**

- Launch new modules focused on “Marma”, beauty, etc.
- Drive growth on base programs post the on-campus NAMA resolution.
- Launch a new “Hero” program to target entry-level students.
- Improve marketing funnel conversion through better retargeting and stronger communications.

#### **Launch of New Products:**

- Launch new premium products with superior ingredients.
- Support with a strong selling story and marketing communication.
- Leverage the scientific community to make strong claims backed by third-party results.
- Powered by strong digital marketing support.
- Sold via D2C and E-commerce marketplaces.

**Restructure Distribution Business:**

- Expand coverage in big metros and key states to increase doctor reach.
- Pioneer a new distribution model with exciting new partnerships.
- Expand Nutraveda business across India leveraging the same sales team.
- Streamline cash flow and supply chain to reduce OOS issues.
- Focus on growing business behind exclusive KAL Doctors and creating a branded network.
- Drive the institutional channel business—Hotels / Resorts / Hospitals / Tenders / Exports.

We continue to remain optimistic about the fundamentals of the business. We will continue to invest in all aspects of the business, especially in the US and Digital, for long-term accelerated sustainable growth. We have brought world-class talent into the company to transform all aspects of this business and will likely see an impact on the profitability of the business, and these investments will bear fruit by the end of CY 2024 and beyond.



**KERALA AYURVEDA LTD**

CIN: L24233KL1992PLC006592

Regd. Off: VII/415, Nedumbassery, Athani PO, Aluva 683 585

Ph: 0484-2476301(4 lines) Fax: 0484-2474376

Email: info@keralaayurveda.biz Website: www.keralaayurveda.biz

## **NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of **Kerala Ayurveda Limited (CIN: L24233KL1992PLC006592)** will be held on Friday, 20<sup>th</sup> September 2024 at 11 a.m. through Video Conferencing/ Other Audio Visual means to transact the following business in conformity with the regulatory provisions and the Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India:

### **ORDINARY BUSINESS**

#### **Item No 1. To receive, consider and adopt the Audited Financial Statements:**

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the reports of the Board and Auditors thereon.

#### **Item No 2. Appointment of Mr. Anand Subramanian (DIN: 00064083) as Director liable to retire by rotation and who has offered himself for re-appointment:**

#### **Item No 3. Appointment of M/s. G. Joseph & Associates as the Statutory Auditors of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) M/s. G. Joseph & Associates, (Firm’s Registration No.: 006310S), be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 years to hold office

from the conclusion of 32<sup>nd</sup> Annual General Meeting up to the conclusion of the 37<sup>th</sup> Annual General Meeting i.e., 2024-25 till 2028-29 on such remuneration plus taxes and reimbursement of out of pocket expenses as may be incurred by them in connection with audit of accounts of the company, as may be mutually agreed upon in between the Board of Directors and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors or the Chief Executive Officer or the Chief Financial Officer be any hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution including filing of the necessary forms with the Registrar of Companies.”

**SPECIAL BUSINESS:**

**Item No. 4. Continuation of Appointment of Mr. Ramesh Vangal (DIN: 00064018) as Non-Executive and Non-Independent Director of the Company:**

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 of the Companies Act, 2013 (‘the Act’) read with Regulation 17(1D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘the SEBI Listing Regulations’) (including any statutory modification or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, consent of the Members be and is hereby accorded for continuation of appointment of Mr. Ramesh Vangal (DIN: 00064018) as Director (designated as Non-Executive and Non-Independent Director) of the Company and that he shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the director or Chief Financial Officer of the Company, be and is hereby authorized to do all such acts or deeds as may be required necessary to give effect to this resolution.”

**Item No. 5. To approve the related party transactions with Om Vedic Heritage Center Pte. Ltd and Ayurvedagram Heritage Wellness Centre Private Limited:**

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 188 and all other applicable provisions if any of the Companies Act, 2013 (the Act) read with the Companies (Meeting of the Board and its powers) Rules, 2014 and read with Regulation 23 of the SEBI (LODR) Regulations, 2015 and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be and is hereby accorded for sale of medicines to Om Vedic Heritage Centre Pte. Ltd. and Ayurvedagram Heritage Wellness Centre Private Limited, for the sale of medicines amounting INR 5 crores and 6 crores respectively as approved by the Board of Directors in its meeting held on 14<sup>th</sup> August, 2024.

**“RESOLVED FURTHER THAT** any of the director or CFO of the Company be and is hereby authorized to do all such acts or deeds, as maybe required necessary to give effect to this resolution.”

**Item No 6. Ratification of Remuneration payable to M/s. SLR & Associates, Kochi, Cost Auditors of the Company:**

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 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as amended to date, the company hereby ratifies the remuneration not exceeding Rs. 1.25 lakhs plus applicable taxes thereon and reimbursement of out-of-pocket expenses at actuals, incurred in connection with the cost audit payable to M/s. SLR & Associates, Kochi having Firm Registration No. 006310S who have been re-appointed as cost auditors by the Board of Directors on the recommendation of the Audit Committee on 29<sup>th</sup> May 2024, to conduct the audit of cost records of the Company for the financial year 2024-25.

**RESOLVED FURTHER THAT** any of the directors or CFO of the company be and is hereby authorized to do acts, deeds and things as may be required to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

**Item No 7. Appointment of Mr. Harish Kuttan Menon (DIN: 00585260) as an Independent Director:**

To consider and, if thought fit, to pass the following resolution, as **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 (‘the Act’) [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Mr. Harish Kuttan Menon (DIN: 00585260), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from June 30, 2019 to June 29, 2024 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 3 (three) consecutive years on the Board of the Company commencing from June 30, 2024 to June 29, 2027 (both days inclusive).

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

**Order of the Board of Directors**  
For Kerala Ayurveda Limited

Sd/-

**Ramesh Vangal**

Chairman (DIN: 00064018)

Date: 14<sup>th</sup> August 2024

Place: New Haven, US

**Notes:**

1. The Ministry of Corporate Affairs (“MCA”) inter-alia vide its General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 20/2022 dated May 5, has permitted the holding of the Annual General Meeting (“AGM”) through Video Conference/ Other Audio-Visual Means, without the physical presence of the Members at a common venue. Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and read with Master Circular dated July 11, 2023 issued by SEBI, 31<sup>st</sup> AGM of the company will be conducted through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at VII/415, Nedumbaserry Athani P O, Aluva, Ernakulam - 683585, which shall be deemed venue of the AGM.
2. The Explanatory Statement pursuant to section 102(1) and (2) of the Companies Act, 2013 in respect special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books will remain closed from Sunday, 15th September 2024 to Friday, 20th September 2024.
4. Corporate Members intending to permit their authorized representative(s) to attend the Meeting through Video Conferencing are requested to send to the Company a certified True Copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the Board Resolution to attend and vote on their behalf at the AGM. Through email-info@keralaayurveda.biz
5. Since this AGM will be held through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’), a) Members will not be able to appoint proxies for the meeting, However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting. and (b) Attendance Slip & Route Map are not annexed to this Notice as the Meeting is held through VC/OAVM.
6. Pursuant to Section 160 of the Act, as amended by the Companies (Amendment) Act, 2017, the requirement of deposit of rupees one lakh shall not be applicable in case of appointment Independent Directors or Directors recommended by Nomination and



Remuneration Committee.

7. Post the COVID-19 pandemic, and in conformity with the applicable regulatory requirements, the notice of the 32<sup>nd</sup> AGM along with the Annual Report 2023-24 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2023-24 will also be available on the Company's website at [www.keralaayurveda.biz](http://www.keralaayurveda.biz) under "Investor Section", websites of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., [www.evotingindia.com](http://www.evotingindia.com)
8. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Pvt. Ltd. Kences Towers No.1 Ramakrishna Street T Nagar, Chennai - 600 017.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
10. Members are requested to send their correspondence/queries to the Share Transfer Agents, M/s. Integrated Enterprises (India) Ltd. having office at Kences Towers, 2nd Floor, No.1 Ramakrishna Street, Off North Usman Road, T Nagar, Chennai 600 017, Ph: 044-28140801 to 03 Fax: 044- 28142479, E-mail: [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in) with a copy to the company's registered office and quote their folio number/client ID number.
11. Members holding shares in physical form are requested to notify any change in their address to the Company's Registrar & Share Transfer Agent. Members holding shares in electronic form are requested to intimate the changes, if any, in their address to respective depository participants only.
12. Shareholders intending to make queries at the AGM on any aspect of the working of the company, on the published accounts or on the Directors' Report may send an email to [companysecretary@keralaayurveda.biz](mailto:companysecretary@keralaayurveda.biz).

### 13. Voting Through Electronic Means

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

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

##### CDSL e-Voting System - For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.keralaayurveda.biz](http://www.keralaayurveda.biz). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation to this Ministry's **General Circular No. 20/2020** dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Sunday, September 15, 2024 at 9.00 am (IST) and ends on Thursday, September 19, 2024 till 5:00 pm (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, September 13, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders  | Login Method   |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> </ol> |

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|   | <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>   |
| <p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit</p> |

|  |   |
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|  | <p>demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>   |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| Login type   | Helpdesk details  |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911</p> |



|  |   |
|--|---|
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000 |
|--|---|

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

|                       | <b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>  |
|-----------------------|---|
| PAN                   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| Dividend Bank Details | 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.  |

|                                 |  |
|---------------------------------|--|
| OR<br>Date of<br>Birth<br>(DOB) | <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul> |
|---------------------------------|--|

- (iv) After entering these details appropriately, click on “SUBMIT” tab.
- (v) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (viii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (ix) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (x) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xiv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xv) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [companysecretary@keralaayurveda.biz](mailto:companysecretary@keralaayurveda.biz) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**.

3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

#### Explanatory Statement

Pursuant to Section 102(1) of The Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Special Business mentioned under resolutions Nos. 4 and 5 of the accompanying Notice.

#### **Item No. 4: Continuation of Appointment of Mr. Ramesh Vangal (DIN: 00064018) as Non-Executive and Non-Independent Director of the Company**

The Members may note that pursuant to SEBI's amendment dated July 15, 2023, applicable with effect from April 1, 2024 read with Regulation 17(1D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of a Director serving on the Board of Directors of a listed entity shall be subject to the approval by the Members at a general meeting at least once in every five (5) years from the date of their appointment or reappointment, as the case may be. Further, the continuation of director serving on the Board of Directors of a listed entity as on March 31, 2024, without the approval of the Members for a period of last five (5) years or more shall be subject to the approval of Members in the first general meeting to be held after March 31, 2024. Mr. Ramesh Vangal was appointed as the Director of the Company w.e.f. 02/09/2006 as Non-Executive and Non-Independent Director of the Company liable to retire by rotation and presently he is the Chairman of the Board of the Company. Therefore, Mr. Ramesh Vangal (DIN: 00064018) can continue as

Director of the Company w.e.f. April 01, 2024 only if Members approve continuation of his appointment as Director of the Company.

Mr. Ramesh Vangal has rich experience and is a successful professional with Worldwide Executive Council. He also served the Board of Infosys Technologies Limited. Directorship in other Companies demonstrated leadership in promoting and growing businesses. Founder and Chairman of the Scandent Group and Katra Group. He was Chairman of Seagram Asia Pacific and President, Asia Pacific for PepsiCO Foods and a member of PepsiCo's Worldwide Executive Council. He also served the Board of Infosys Technologies Limited.

Members may note that Mr. Ramesh Vangal, has played a pivotal role as the Board Member of Company. The Board believes that his continuation and guidance on the Board will significantly contribute to Company's growth and long-term value creation. In view of the above and after careful consideration of his performance over the past years and on recommendation of the Nomination and Remuneration Committee, the Board subject to approval of the Members, approved the continuation of Mr. Ramesh Vangal as Non-Executive and Non-Independent Director of the Company.

Considering the above, the Board recommends his continuation as Director by way of Ordinary Resolution as set out in Item no 4 of this Notice. The details of Mr. Ramesh Vangal as required under Secretarial Standard - 2 and Regulation 36 of the SEBI Listing Regulations, as applicable, are provided in 'Annexure I' to the Notice.

Save and except Mr. Ramesh Vangal and his relatives, none of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Item No. 5: To approve the related party transactions with Om Vedic Heritage Center Pte. Ltd and Ayurvedagram Heritage Wellness Centre Private Limited:**

Kerala Ayurveda Limited holds 51% stake in Om Vedic Heritage Center Pte. Ltd by entering into Shareholder's Agreement and Share Purchase Agreement dated 5<sup>th</sup> August, 2024 and Ayurvedagram Heritage Wellness Centre Private Limited is the subsidiary company of Kerala Ayurveda Limited, in which your company holds 74% of share capital, based in Karnataka it is a wellness provider company with inpatient and outpatient facilities.

The Board of Directors in its meeting dated 14<sup>th</sup> August, 2024 resolved to approve sale of medicines to Om Vedic Heritage Center Pte. Ltd and Ayurvedagram Heritage Wellness Centre Private Limited amounting to INR 5 and 6 crores respectively and as per the details. As per Section 188 of the Companies Act 2013, the company shall not enter into a contract or arrangement with any related party except with the prior approval of the Shareholders if they are not in the ordinary course of business and not on arm's basis. Mr. Ramesh Vangal (DIN 00064018) Chairman, Mr. Anand Subramanian (DIN 00064083), and Mr. S. Krishnamurthy (DIN 00140414), Rajesh Sharama (DIN 00811525) Directors of the company are concerned or interested, in the resolution as they are common directors of Ayurvedagram Heritage Wellness Centre Pvt. Ltd., subsidiary of Kerala Ayurveda Limited. But they are not holding any shares or beneficial interest in Ayurvedagram Heritage Wellness Centre Private Limited.

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

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

**Item No. 6: Ratification of Remuneration payable to M/s. SLR & Associates, Kochi, Cost Auditors of the Company:**

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to have its cost records audited by the Cost Accountant. Based on the recommendation of the Audit Committee, the Board at its meeting held on 14<sup>th</sup> August, 2024, approved the appointment of M/s. SLR & Associates, Kochi (having Firm Registration No. 006310S), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the financial year 2024-25 at a remuneration not exceeding Rs. 1.25 lakhs (Rupees One Lakh Twenty-Five Thousand) plus out of pocket expenses & service tax as applicable.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year

by way of an Ordinary Resolution is being sought from the members as set out at Item No. 5 of the Notice.

M/s. SLR & Associates have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

The Board recommends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the members. None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

For other details such as the number of meetings of the Board attended during FY 2023-24, remuneration last drawn in FY 2023-24 by Dr. K. Anilkumar, please refer to the corporate governance report which is a part of this Integrated Annual Report.

#### **Item No. 7: Appointment of Mr. Harish Kuttan Menon (DIN: 00585260) as Non-Executive Independent Director**

The Board of Directors through its resolution dated 27 June 2024 (based on the recommendation of the Nomination and Remuneration Committee (NRC) and subject to the approval of the Members in General Meeting) appointed Mr. Harish Kuttan Menon, as an Additional Director designated as Independent Director of the Company with effect from June 30, 2024 to June 29, 2027 for a second term of 3 years, not liable to retire by rotation.

Mr. Harish Kuttan Menon has given a declaration to the Board that he meets with the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In the opinion of the Board, Mr. Harish fulfills the conditions specified in the Act and the Rules framed thereunder read with the Listing Regulations, for his appointment as an Independent Director and is independent of the management.

The NRC taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Mr. Harish Kuttan Menon's qualifications and the rich experience meets the skills and capabilities required for the role of Independent Director of the Company. The Board is of the opinion that Mr. Harish Kuttan Menon continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in her role as an Independent Director of the Company and her continued association would be of immense benefit to the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, a copy of the draft letter of re-appointment of Mr. Harish as an Independent Non-executive Director setting out the terms and conditions of appointment would be available for inspection by the Members, by writing an email to the Company at <https://www.keralaayurveda.biz/investor-relationships> at the registered office of the company, during the normal business hours and would also be kept



open at the venue of the Annual General Meeting.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the resolution for re-appointment of Mr. Harish Kuttan Menon, as an Independent Director is placed before the Members for their approval. Further details as required under SEBI Listing Regulations and Secretarial Standard-2 for General Meetings are provided in Annexure to this Notice.

The Board recommends Resolution provided in Item No. 7 of this Notice for approval of the Members.

Except for Mr. Harish Kuttan Menon and his relatives, to the extent of their shareholding, if any, none of the Directors or Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution as set out in Item no. 6 of the Notice.

Appended below, is the information as required to be furnished under sub-clause (iv) of clause B of part II of Schedule V to the Companies Act, 2013 for Mr. Harish Kuttan Menon

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

### Annexure-I Details of Director seeking Appointment

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Secretarial Standard on General Meetings)

| Name of the Director   | Mr. Anand Subramanian (DIN: 00064083)                            | Mr. Ramesh Vangal (DIN: 00064018)   | Mr. Harish Kuttan Menon (DIN: 00585260)   |
|--|--|---|---|
| Date of Birth and Age  | 01.02.1972/ 52 Years   | 28.07.1954/70 Years   | 05.06.1970/ 54 Years  |
| Nationality  | Indian   | Indian  | Indian  |
| Date of first appointment on the Board of Directors of the Company       | 31.10.2007   | 02.09.2006  | 30.06.2019  |
| Qualifications   | Chartered Accountant   | Engineering degree from IIT, Mumbai MBA from London Business School               | B.E (Mech), PGDM (IIM-A)  |
| Experience (including nature of expertise in specific functional areas)/ | Mr. Anand Subramanian is professionally qualified as a Chartered | Experienced and successful professional with Worldwide Executive Council. He also | Mr. Harish Kuttan Menon is a B.E (Mech), PGDM (IIM-A) with 34 years of experience and is an |

|   |  |   |  |
|---|--|---|--|
| Brief Resume                                  | Accountant. He has worked with Arthur Andersen and involved in Taxation and Corporate Advisory services. Subsequently he joined Infosys Ltd and later to RSM & Co, Chartered Accountants. He is involved in financial planning and strategic initiatives of the Company. | served the Board of Infosys Technologies Limited. Directorship in other Companies demonstrated leadership in promoting and growing businesses. Founder and Chairman of the Scandent Group and Katra Group. He was Chairman of Seagram Asia Pacific and President, Asia Pacific for PepsiCO Foods and a member of PepsiCo's Worldwide Executive Council. He also served the Board of Infosys Technologies Limited. | entrepreneur with specialization in industrial automation and machine automation for various industries such as Printing, Packaging, Textile, Pharmaceutical, Machine Tool, Welding and Robotics. He started his career in MICO Ltd and has worked with Kotak Mahindra Capital Company, an Investment Bank in their Debt Capital Markets, where he was involved in debt raising for Corporate and PSU and in Money Markets and trading in Government securities. He is the Founder and Whole-time Director of Strategi Automation Solutions Pvt. Ltd, where he is responsible for Business Development, Sales and Service and Purchase functions |
| Number of shares held in the Company          | NIL  | NIL   | NIL  |
| List of directorships held in other companies | <ol style="list-style-type: none"> <li>1. Ayusante Lifecare India Private Limited</li> <li>2. Katra Liquor Private Limited</li> <li>3. Mason and Summers Marketing Service Private</li> </ol>  | <ol style="list-style-type: none"> <li>1. Hindustan Drones and Spacex Limited</li> <li>2. Segrow Bio-Technics (India) Private Limited</li> <li>3. Katra Holding Private Limited</li> <li>4. Katra Phytochem</li> </ol>  | <ol style="list-style-type: none"> <li>1. Strategi Automation Solutions Private Limited</li> </ol>   |

|                                      |  |   |                           |
|--------------------------------------|--|---|---------------------------|
|                                      | <p>Limited</p> <p>4. Katra Holding Private Limited</p> <p>5. Katra Phytochem (India) Private Limited</p> <p>6. Mason and Summers Alcobev Private Limited</p> <p>7. Arudrama Developments Private Limited</p> <p>8. Katra Wilhelmsen Logistics Private Limited</p> <p>9. Katra Marine Private Limited</p> <p>10. Mason and Summers Leisure Private Limited</p> <p>11. Renovel Discoveries Private Limited</p> <p>12. Kal Ayurveda Research &amp; Education Foundation</p> <p>13. Global Nutrifood Private Limited</p> <p>14. Ayurvedagram Heritage Wellness Centre Private Limited</p> <p>15. Asha Medical Foundation Private Limited</p> <p>16. Avan Agro-Tech Private Limited</p> | <p>(India) Private Limited</p> <p>5. Katra Virat Private Limited</p> <p>6. Mason and Summers Leisure Private Limited</p> <p>7. Global Agri System Private Limited</p> <p>8. Global Nutrifood Private Limited</p> <p>9. Ayurvedagram Heritage Wellness Centre Private Limited</p> <p>10. Apollo Asha Bioelectro Private Limited</p> <p>11. Arudrama Developments Private Limited</p> |                           |
| Chairman/Member of the Committees of | 1. Audit Committee-Member  | 1. Nomination and Remuneration Committee- Member  | 1. Audit Committee-Member |

| the Boards of the Companies in which he is Director                                    | 2. Stakeholders Relationship Committee-Member |     | 2. Nomination and Remuneration Committee- Member |
|--|---|-----|--|
| Listed entities from which the person has resigned in the past three years             | NIL   | NIL | NIL  |
| Relationship with other Directors, Manager and Key Managerial Personnel of the Company | NIL   | NIL | NIL  |
| Number of meetings of the Board attended during the year 2023-2024                     | 8   | 9   | 9  |
| Number of ESOPs granted  | NIL   | NIL | NIL  |

**Order of the Board of Directors**  
For Kerala Ayurveda Limited

Sd/-

**Ramesh Vangal**

Chairman (DIN: 00064018)

Date: 14<sup>th</sup> August 2024

Place: New Haven, US

## BOARD'S REPORT

To,

The Members

The Directors have pleasure in presenting the THIRTY SECOND Annual Report together with the Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31<sup>st</sup> March, 2024.

### 1. FINANCIAL RESULTS

The Company's financial performance during the year 2023-24 along with previous year figures is summarized below.

Kerala Ayurveda Limited:

(In Lakhs)

| Particulars                                 | Standalone     |                | Consolidated    |                |
|---|----------------|----------------|-----------------|----------------|
|   | 2023-24        | 2022-23        | 2023-24         | 2022-23        |
| Net Sales /Income from Business Operations  | 7314.12        | 6329.88        | 10785.60        | 9341.33        |
| Other Income                                | 16.42          | 6.02           | 51.56           | 28.66          |
| <b>Total Income</b>                         | <b>7330.54</b> | <b>6335.90</b> | <b>10837.16</b> | <b>9369.99</b> |
| Less: Total expenses including Depreciation | 7287.86        | 6382.08        | 10710.05        | 9709.39        |
| Profit before exceptional Items and Tax     | 42.68          | (46.18)        | 127.11          | (339.40)       |
| Prior Period Items                          | -              | 283.48         | -               | 283.48         |
| Profit before tax                           | 42.68          | 237.30         | 127.11          | (55.92)        |
| Less: Tax Expenses/Tax Credit               | 69.80          | (51.77)        | 213.40          | (13.10)        |
| <b>Net Profit after Tax</b>                 | <b>27.12</b>   | <b>289.07</b>  | <b>(86.29)</b>  | <b>(42.82)</b> |
| Earnings per share (Basic)                  | (0.28)         | 3.09           | (1.42)          | (0.51)         |
| Earnings per Share (Diluted)                | (0.28)         | 3.09           | (1.42)          | (0.51)         |

The Company does not propose to transfer any amount to its Reserves for the year under review.

## 2. REVIEW OF OPERATIONS

During the Financial Year under review, the operational results ended with **Rs- 27.12 Lakhs** as against **Rs- 289.07 Lakhs** during the previous year. The Net revenue of the company stands at **Rs.- 7314.12 Lakhs** as against **Rs-6329.88 Lakhs** during the previous year, showing an increase of **15.54%**. The consolidated net revenue including its subsidiaries for the current year is **Rs- 10785.60 Lakhs** against **Rs-9341.33 Lakhs** during the previous year. There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements related and the date of this report except as mentioned in the Financials.

## 3. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Your company has seven subsidiaries including one step down subsidiary as on 31<sup>st</sup> March, 2024 and the details are as under:

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

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

The Company has acquired 51% stake in the equity share capital of OM VEDIC HERITAGE CENTRE PTE. LTD. on 7<sup>th</sup> August 2024 at a consideration of SGD 280,000 (equivalent to INR 17,763,200) as per the executed Share Purchase Agreement and Shareholders' Agreement.

#### **4. HIGHLIGHTS ON PERFORMANCE OF SUBSIDIARIES**

➤ **Indian Subsidiary**

During the year under review, M/s. Ayurvedagram Heritage Wellness Centre Private Limited. has achieved a turnover of Rs.1169.20 Lakhs as against Rs. 904.30 Lakhs in the previous financial year. Accordingly, the EBITDA of the company is Rs. 480.16 Lakhs against Rs. 288.25 Lakhs in the previous year.

➤ **Overseas Subsidiaries**

The combined turnover of overseas subsidiaries is Rs.2508.05 Lakhs as compared to Rs. 2246.34 Lakhs in the previous year. The performance of each of the subsidiaries of the Company is mentioned below:

**a) Ayurvedic Academy Inc**

The turnover of Ayurveda Academy Inc during the financial year 2023-24 is Rs. 1933.00 Lakhs as compared Rs. 1815.84 Lakhs in the previous year. The loss of the subsidiary after taxes was Rs. 0.39 Lakhs as compared to loss of Rs. 33.73 Lakhs in the previous year.

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

The turnover of Suveda Inc. during the financial year 2023-24 is Rs.575.04 Lakhs as compared to Rs. 430.50 Lakhs in the previous year. The subsidiary incurred a loss of Rs. 146.91 Lakhs as compared to a loss of Rs. 199.85 Lakhs in the previous year.

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

The turnover of Ayu Natural Medicine Clinic, P S, USA is nil during the financial year 2023-24 and in the previous year. The subsidiary has not earned any profit in the financial year 2023-24 and in the previous year.

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

The turnover of CMS Katra Holdings LLC, USA is nil during the financial year 2023-24 and in the previous year. The subsidiary has not earned any profit in the financial year 2023-24 and in the previous year.

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

The turnover of CMS Katra Holdings LLC, USA is nil during the financial year 2023-24 and in the previous year. The subsidiary has not earned any profit in the financial year 2023-24 and in the previous year.

**f) Nutraveda Pte Ltd**

The turnover of Nutraveda Pte Ltd is nil during the financial year 2023-24 and in the previous year. The subsidiary has not earned any profit in the financial year 2023-24 and in the previous year

## 5. CONSOLIDATED FINANCIAL STATEMENTS

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

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

During the Financial year ended 31st March, 2024, no entity has become or ceased to be a subsidiary, joint venture or associate of the Company.

## 7. DIVIDEND

The Board of Director’s of your company, after considering holistically the relevant circumstances and keeping in view the company’s growth prospects, has decided that it would be prudent not to recommend any Dividend for the year under review.

## 8. RESERVES

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

## 9. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the Company during the financial year ended 31st March, 2024.

## 10. DIRECTORS & KEY MANAGERIAL PERSONS:

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



### Resignation of Directors

None of the Directors resigned during the FY 2023-24.

### Retirement by rotation

Mr. Anand Subramanian (DIN: 00064083) Director will retire by rotation at the ensuing Annual General Meeting of the company and being eligible has offered himself for re-appointment.

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

### Appointment/Reappointment of Directors

The Board at its meeting held on 14<sup>th</sup> August, 2024, on the basis of the recommendation of the Nomination and Remuneration Committee had approved continuation of appointment of Mr. Ramesh Vangal (DIN: 00064018) as Non-Executive and Non-Independent Director of the Company. The members in the ensuing Annual General Meeting approved the appointment of Mr. Ramesh Vangal.

Mr. Harish Kuttan Menon (DIN: 00585260) completed his first term of 5 consecutive years on June 29, 2024. The Board, on the recommendation of the Nomination and Remuneration Committee and considering his expertise and experience in the varied fields and on the basis of performance evaluation report, had approved the re-appointment of Mr. Harish Kuttan Menon as an Independent Director via resolution by circulation for a term of 3 years with effect from June 30, 2024 to June 29, 2027. The members of the company approved the said re-appointment in the ensuing Annual General Meeting by way of a special resolution.

## **11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE CONDUCTED DURING THE YEAR UNDER REVIEW:**

An annual calendar of Board and Committee Meetings planned during the year were prepared and circulated in advance to the Directors. During the year **Nine** Board Meetings, **Seven** Audit Committee Meetings, **Three** Nomination Remuneration Committee meetings and **Fourteen** Stakeholders Relationship Committee meetings were convened and held. The details of meeting & attendance are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 and pursuant to the relaxations provided.

During the financial year 2023-24, the Board of Directors of the Company met on the following dates-

| Sl. No. | Date of Board Meeting | Number of Directors eligible to attend meeting | Number of Directors who attended the meeting |
|---------|-----------------------|--|--|
| 1.      | 11.05.2023            | 9  | 8  |
| 2.      | 30.05.2023            | 9  | 8  |
| 3.      | 12.07.2023            | 9  | 8  |
| 4.      | 10.08.2023            | 9  | 8  |
| 5.      | 31.08.2023            | 9  | 8  |
| 6.      | 03.10.2023            | 9  | 8  |
| 7.      | 14.11.2023            | 9  | 7  |
| 8.      | 24.11.2023            | 9  | 8  |
| 9.      | 14.02.2024            | 9  | 7  |

Further, separate meeting of Independent Directors of the Company was held on 14<sup>th</sup> February, 2024 where the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and clause 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed.

## **12. DECLARATION BY INDEPENDENT DIRECTOR(S)**

The independent directors of your Company have given a declaration to the Company under Section 149 (7) of the Companies Act, 2013 and Rule 6 of Companies (Appointment and Qualification of Directors) Rules 2014 that, they meet the criteria of independence as provided in Sub Section including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The independent directors have affirmed compliance with the Code of Conduct. The Independent Directors also affirmed compliance under Section 150 of the Companies Act, 2013 including any amendments/ notifications issued from time to time.

In the opinion of the Board of Directors of the Company, Independent Directors of your Company holds highest standards of integrity and are highly qualified, recognized and respected individually in their respective fields. The composition of Independent Directors is the optimum mix of expertise (including financial expertise), leadership and professionalism.

### **13. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS**

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

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

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

The statement containing information as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as **Annexure 2**.

### **15. A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

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

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

As required under Section 178(1) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3). The broad parameters covered under the Policy are - Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel and Senior

Management and the Remuneration of other employees and other related matters. The Company's Policy furnished as **Annexure 3** forms part of this Report. The policy is also uploaded on the website of the Company at <https://www.keralaayurveda.biz/investor-relationships> under 'Investor Section'

## **17. PARTICULARS OF AUDITORS:**

### **1. Statutory Auditors**

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

The Report given by the Statutory Auditors on the standalone financial statements of the Company and the consolidated financial statements of the Company for the Financial year ended March 31, 2024 forms part of this Annual Report.

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

Due to completion of tenure of existing Statutory Auditors and based on the recommendation of the Audit Committee, the Board of Directors in their Meeting held on August 14, 2024 had appointed M/s. G. Joseph & Associates, Chartered Accountants (Registration No. \_006310), as the Statutory Auditors of the Company with effect from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting, subject to the approval of members. The resolution for their appointment has been mentioned in the Notice convening the 32nd Annual General Meeting.

### **2. Secretarial Auditors**

M/s. SVJS & Associates, a firm of practicing Company Secretaries ("Secretarial Auditors"), carried out the secretarial audit of compliance with the Act and the rules made there under, the Listing Regulations and other applicable regulations as prescribed by SEBI, Foreign Exchange Management Act, 1999 and other laws specifically applicable to the Company. The Secretarial Audit Report in **Form MR-3** for the financial year under review is attached to this Report as **Annexure 4**. The Secretarial Audit Report is given in

Annexure- I, forming part of this report. The Secretarial Auditors' Report have the following observations.

| Auditor Observations  | Management's Response  |
|---|--|
| <p><i>As per Regulation 44 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the e-voting facility to be provided to shareholders in terms of sub-regulation (1), shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, or amendments made thereto. As per Rule 20 (4) (xviii) of the Companies (Management and Administration) Rules, 2014, a resolution proposed to be considered through voting by electronic means shall not be withdrawn. Item 2 of Extra Ordinary General Meeting held on 07.06.2023 seen withdrawn by the company at its Extra Ordinary General Meeting.</i></p> | <p>Due to prevailing market conditions and further discussions with its proposed investor, it was proposed to review the requirements of additional capital in the near future, amend and enhance the proposition.</p> |
| <p><i>As per regulation 2(zc) read with Regulation 23 (9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 -The definition of related party transaction has changed. Related party transaction" means a transaction involving a transfer of resources, services or obligations between:</i></p>  | <p>Company is taking steps to comply it in the subsequent filings.</p>   |

|  |   |
|--|---|
| <p><i>(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or</i></p> <p><i>(ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;</i></p> <p><i>As per Regulation 23 (9), the listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website. We are unable to comment on whether Related party disclosures for the half year ended 30.09.2023 contains all such transactions in the absence of financial data of subsidiaries.</i></p> |   |
| <p><i>As per Regulation 24 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Notice No. 20230630-12 dated 30.06.2023, the due date of submission of Secretarial Compliance Report in XBRL format for Financial Year March 31, 2023 was June 30, 2023. XBRL filing of Annual Secretarial Compliance Report is not seen done by the Company.</i></p>   | <p>The Company is not able to rectify this by filing it on the current date. Will take steps to comply in future.</p> |

|   |   |
|---|---|
| <p><i>As per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Notice No. 20230630-12 dated 30.06.2023, intimations of appointment of CEO on 03.10.2023, reappointment of whole time director 10.08.2023 and outcome of extra ordinary general meeting on 07.06.2023 not seen filed in XBRL mode.</i></p>   | <p>The Company is not able to rectify this by filing it on the current date. Will take steps to comply in future.</p> |
| <p><i>As per Regulation 31 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital. Stock exchange intimations in relation to preferential allotment of 921781 shares (8.29% of existing capital structure) made on 04/01/2024, to stock exchange was not within 10 days of capital restructuring</i></p> | <p>Company is taking steps to ensure filing on time</p>   |
| <p><i>As per Regulation 36(4) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Notice No. 20230630-12</i></p>   | <p>Company is taking steps to comply with this in future</p>  |

|   |   |
|---|---|
| <p><i>dated 30.06.2023 the submission in XBRL mode to be made at the same time when the listed entities file Form AOC-4 (XBRL) with Ministry of Corporate Affairs. Submission of Annual Report in XBRL format is not done for the FY 2022-23 at the same time when the Company filed Form AOC-4 (XBRL) with Ministry of Corporate Affairs.</i></p>  |   |
| <p><i>As per Schedule B - 4(1) of the Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015, the trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Trading window is not seen closed for appointment of new CEO and Preferential Issues. Further there is a delayed intimation of trading window closure for quarterly results 31.03.2023, 30.06.2023 and 30.09.2023.</i></p> | <p>Company is taking steps to comply with this in future</p>                                  |
| <p><i>NFRA1 is yet to be filed by the body corporate subsidiary of the Company. The Company has not issued a newspaper advertisement for book closure in accordance with Section 91 of the Companies Act.</i></p>   | <p>The company is taking steps to file the same.</p> <p>Company will take care in future.</p> |
| <p><i>The Company has received a notice dated July 8, 2024, from Liquidator</i></p>   | <p>A plaint having OS No.255 of 2024 (Suit) was filed by Mr. Ramesh Vangal</p>                |



*appointed for Katra Holdings Limited (KHL), Mauritius, the Holding Company pursuant to the order of the Supreme Court, Mauritius dated 19.06.2024.*

and heard before the Hon'ble Munsiff Court at Aluva, Ernakulam, Kerala, on July 12, 2024, seeking injunctive reliefs against the actions requested in the Notice. Due to non-grant of ad-interim injunction in the Suit, Mr. Vangal filed an OP(C)No.1773 of 2024 (**Petition**) before the Hon'ble High Court of Kerala. Senior Counsel Sri Joseph Kodianthara appeared representing the Company.

The Hon'ble High Court of Kerala granted the injunction by an order dated August 14, 2024, stating:

that the Trial Court should have granted the ad-interim injunction to preserve the subject matter of the Suit as not granting the same would make the prayers in the suit infructuous and cause serious prejudice and irreparable injury to the petitioner, the Company and the Directorate of Enforcement, Southern Region (**ED**). that the contentions reveal that there is a prima facie case in favour of petitioner

that the parties (including the Liquidator) must maintain **status quo** with respect to the shares of the Company held by KHL for a period of 1 (one) month.

that notice be issued (by post and email) to the respondents, the Liquidator, Standard Chartered Bank

|  |   |
|--|---|
|  | <p>(Mauritius), Standard Chartered Bank (Mumbai), Kerala Ayurveda Limited, BSE Limited, KHL, Mauritius and ED. The Petition is now posted for hearing on September 3, 2024.</p> |
|--|---|

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

These reports are uploaded on the website of the Company at <https://www.keralaayurveda.biz/investor-relationships> under 'Investor Section'

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

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

### **4. Cost Auditors**

According to Companies (Cost Records and Audit) Rules, 2014, your Company is required to get the Cost Audit done for the financial year 2023-24 and the Company has maintained cost records for the financial year 2023-24.

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

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

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

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

## **19. RISK MANAGEMENT POLICY**

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

The Board of Directors has adopted a risk management policy for the company outlining the parameters of identification, assessment, monitoring and mitigation of various risks which is available on the website of the company at <https://www.keralaayurveda.biz/investor-relationships> under 'Investor Section'

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

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"). The Board of Directors held an emergency meeting on July 9, 2024, to discuss this development.. A plaint bearing OS No.255 of 2024 ("Suit") was filed by Mr. Ramesh Vangal and heard before the Hon'ble Munsiff Court at Aluva, Ernakulam, on July 12, 2024, seeking injunctive reliefs against the Notice.

## **21. CORPORATE SOCIAL RESPONSIBILITY:**

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

## **22. DEPOSITS:**

In terms of the provisions of Section 73 of the Companies Act, 2013, the company has not accepted any deposits from the public during the financial year under review and there are no outstanding fixed deposits from the public as on 31<sup>st</sup> March 2024.

**23. 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 as Annexure <<>>. A certificate from Statutory Auditors confirming the compliance of Corporate Governance is also attached to this report.

**24. AUDIT COMMITTEE**

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

**25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**26. EXTRACT OF ANNUAL RETURN**

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

**27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

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

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

**28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contracts or arrangements entered into by the Company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under that proviso attached as **Annexure 6** in **Form AOC-2** forms an integral part of this report. All related party transactions are presented to the Audit

Committee and the Board. Omnibus approval is obtained before the commencement of the new financial year, for the transactions which are repetitive in nature and for the transactions which are not foreseen.

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

## **29. DIRECTORS' RESPONSIBILITY STATEMENT**

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

In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The directors have prepared the annual accounts on a going concern basis.

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

- a. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

The Internal Committees shall consist of the following members to be nominated by the employer, namely: –

a Presiding Officer who shall be a woman employed at a senior level at workplace from amongst the employees.

Provided that in case a senior level woman employee is not available, the Presiding Officer shall be nominated from other offices or administrative units of the workplace referred to in sub-section (1).

Provided further that in case the other offices or administrative units of the workplace do not have a senior level woman employee, the Presiding Officer shall be nominated from any other workplace of the same employer or other department or organisation;

not less than two Members from amongst employees preferably committed to the cause of women or who have had experience in social work or have legal knowledge;

one member from amongst non-governmental organisations or associations committed to the cause of women or a person familiar with the issues relating to sexual harassment: Provided that at least one-half of the total Members so nominated shall be women

During the year under review, there were no complaints received by the ICC. Further to build awareness in this area, the Company has been conducting necessary trainings in the organization on a continuous basis at all the levels of employee.

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

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

### **32. 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’s attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

**33. RESEARCH AND DEVELOPMENT**

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

**34. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying in unpaid or unclaimed dividends for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF) under Section 124 and Section 125(2) of the Companies Act, 2013.

**35. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

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

**36. 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 2023-24 to BSE Limited.

**37. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Directors state that the applicable Secretarial Standards i.e., SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to "Meetings of the Board of Directors and General Meetings" respectively have been duly complied with.

**38. INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the financial year, neither any application nor any proceeding is initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

**39. SETTLEMENTS WITH BANKS OR FINANCIAL INSTITUTIONS:**

During the year under review, no settlements were made by the Company with any Banks or Financial Institutions.

**40. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

During the FY 2023-24, there were no Insolvency Proceedings initiated against the Company and hence there were no instances of one-time settlement with banks or financial institutions.

**41. DETAILS OF PENALTIES/ PUNISHMENT/ COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE DIRECTORS' REPORT**

There were no penalties/punishment/commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

**42. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING ON THE COMPANY**

There were no agreements binding on the company between the end of the financial year and the date of this report.

**ACKNOWLEDGMENTS**

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

**Order of the Board of Directors  
For Kerala Ayurveda Limited**

Sd/-

**Ramesh Vangal**

Chairman (DIN: 00064018)

Date: 14<sup>th</sup> August 2024

Place: New Haven, US



**Annexure-1**  
**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)

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

**PART "A": Subsidiaries**

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

|   | Subsidiary 1   | Subsidiary 2                | Subsidiary 3  | Subsidiary 4                                      | Subsidiary 5                        | Subsidiary 6                       | Subsidiary 7          |
|---|--|-----------------------------|---|---|-------------------------------------|------------------------------------|-----------------------|
| Name of the subsidiary  | Ayurveda<br>gram<br>Heritage<br>Wellness<br>Centre<br>Pvt Ltd. | Ayurvedic<br>Academy<br>Inc | Suveda<br>Inc.<br>(formerly<br>known as<br>Nutraveda<br>Inc.) | Ayu<br>Natural<br>Medicine<br>Clinic, P<br>S, USA | CMS Katra<br>Holdings<br>LLC<br>USA | CMS Katra<br>Nursing<br>LLC<br>USA | Nutraveda<br>Pte Ltd  |
| The date since when subsidiary was acquired   | 29.03.2004   | 04.05.2008                  | 04.05.2008  | 04.05.2008  | 09.10.2008                          | 12.10.2008                         | 24.06.2009            |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31.03.2024   | 31.03.2024                  | 31.03.2024  | 31.03.2024  | 31.03.2024                          | 31.03.2024                         | 31.03.2024            |
| Reporting currency and Exchange rate as on the last date  | INR  | US \$<br>1US\$=<br>82.35    | US \$<br>1US\$=<br>82.35                                      | US \$<br>1US\$=<br>82.35                          | US \$<br>1US\$=<br>82.35            | US \$<br>1US\$=<br>82.35           | SGD<br>1SGD=6<br>1.80 |

|  |         |         |           |           |          |          |       |
|--|---------|---------|-----------|-----------|----------|----------|-------|
| of the relevant financial year in the case of foreign subsidiaries |         |         |           |           |          |          |       |
| Share capital  | 225.00  | NIL     | NIL       | NIL       | 0.82     | 8.23     | 3.83  |
| Reserves & Surplus   | 730.55  | 237.36  | (1391.49) | (1018.44) | (382.43) | (936.45) | 0     |
| Total Assets   | 1603.61 | 2830.53 | 2468.89   | 0.03      | 1092.54  | 0.61     | 10.46 |
| Total Liabilities  | 581.63  | 2593.17 | 3860.39   | 1018.47   | 1474.15  | 928.83   | 6.63  |
| Investments  | 0       | 0       | 0         | 0         | 0        | 0        | 0     |
| Turnover   | 1133.47 | 1933.01 | 575.05    | 0         | 0        | 0        | 0     |
| Profit before taxation   | 382.72  | 15.95   | -146.91   | -4.95     | -2.71    | -4.55    | 0     |
| Provision for taxation   | 127.26  | 16.34   | 0         | 0         | 0        | 0        | 0     |
| Profit after taxation  | 255.46  | -0.39   | -146.91   | -4.95     | -2.71    | -4.55    | 0     |
| Proposed Dividend  | 0       | 0       | 0         | 0         | 0        | 0        | 0     |
| Extent of shareholding (in percentage)                             | 74      | 100     | 100       | 100       | 81.67    | 100      | 100   |

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

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

## ANNEXURE 2

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

| SL | Requirements  | Disclosure  |
|----|---|---|
| 1  | The ratio of remuneration of each director to the median remuneration of the employees for the financial year   | Employee/ WTD<br>1:8.5  |
| 2  | The percentage increase in remuneration of each Director, CFO, CS in the Financial Year   | ED-0%, CS-0%,<br>CFO-26%  |
| 3  | The percentage increase in the median remuneration of employees in the financial year   | 23%   |
| 4  | The number of permanent employees on the rolls of the Company   | 468   |
| 5  | Average percentile increase already made in the salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | 0%<br>There are no<br>exceptional<br>circumstances for the<br>increase. |
| 6  | Affirmation that the remuneration is as per the remuneration policy   | Yes   |

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

During FY 2023-24, no employee was in receipt of remuneration of more than rupees One Crore and Two lakhs in aggregate. No employee who was employed for part of the year was in receipt of remuneration of more than Rupees Eight Lakhs and Fifty Thousand Per month. No employee employed throughout the financial year or part thereof, was in receipt of remuneration which in the aggregate is in excess of that drawn by the whole-time director and does not hold by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules,2016.

**Order of the Board of Directors**

For Kerala Ayurveda Limited  
Sd/-

**Ramesh Vangal**

Chairman (DIN: 00064018)

Date: 14<sup>th</sup> August 2024

Place: New Haven, US

## ANNEXURE - 3

### NOMINATION AND REMUNERATION POLICY OF KERALA AYURVEDA LIMITED

#### PREAMBLE

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

- A. Devise a policy on Board diversity;
- B. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- C. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- D. Formulate the criteria for evaluation of Independent Directors and the Board and carry out evaluation of every director's performance;
- E. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

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

#### **A. POLICY ON BOARD DIVERSITY**

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

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

##### A.2.Scope of Application:

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

##### A.3.Policy Statement:

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

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

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

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

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

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

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

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

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

1. Managing Director/Whole-time Director/Manager (Managerial Person): The Company shall appoint or re-appoint any 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.
3. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
4. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

#### B.3. Removal:

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

#### B.3. Retirement:

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

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

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

#### C.1. General:

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

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

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

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

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

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

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

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

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

### C.4.REMUNERATION TO OTHER EMPLOYEES

Apart from the Directors, KMP's and senior Management, the remuneration for rest of the employee is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexities and local market conditions. Decisions on annual increment shall be made based on the annual appraisal carries out by HODs of various departments.

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

### **1. INDEPENDENT DIRECTORS**

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

- a) act objectively and constructively while exercising their duties;
- b) objectively evaluate Board's performance, rendering independent, unbiased opinion
- c) exercise their responsibilities in a bona fide manner in the interest of the company;
- d) strive to Attend and participate in the Meetings.



- e) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- f) refrain from any action that would lead to loss of his independence and inform the Board immediately when they lose their independence,
- g) assist the company in implementing the best corporate governance practices.
- h) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- i) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

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

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

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

## 2. NON-INDEPENDENT DIRECTORS/EXECUTIVE DIRECTORS

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

**Order of the Board of Directors**  
For Kerala Ayurveda Limited

Sd/-

**Ramesh Vangal**

Chairman (DIN: 00064018)

Date: 14<sup>th</sup> August 2024

Place: New Haven, US

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

**KERALA AYURVEDA LIMITED**

VII/415, Nedumbaserry,

Athani P.O, Aluva,

Ernakulam- 683585, Kerala

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2024 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 31.03.2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
  - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - (e) 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;
  - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable;
  - (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable.
- (vi) As informed to us, the following other laws are specifically applicable to the Company:
  - 1. The Drugs and Cosmetics Act, 1940 and The Drugs and Cosmetics Rules, 1945
  - 2. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955
  - 3. The Medicinal and Toilet Preparations (Excise Duties) Act, 1955
  - 4. Food Safety And Standards Act, 2006
  - 5. Kerala Spirituous Preparations (Control) Rules, 1969

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

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

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

*As per Regulation 44 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the e-voting facility to be provided to shareholders in terms of sub-regulation (1), shall be provided in compliance with the conditions*

*specified under the Companies (Management and Administration) Rules, 2014, or amendments made thereto. As per Rule 20 (4) (xviii) of the Companies (Management and Administration) Rules, 2014, a resolution proposed to be considered through voting by electronic means shall not be withdrawn. Item 2 of Extra Ordinary General Meeting held on 07.06.2023 seen withdrawn by the company at its Extra Ordinary General Meeting.*

*As per regulation 2(zc) read with Regulation 23 (9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 -The definition of related party transaction has changed. Related party transaction” means a transaction involving a transfer of resources, services or obligations between:*

*(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or*

*(ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;*

*As per Regulation 23 (9), the listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website. We are unable to comment on whether Related party disclosures for the half year ended 30.09.2023 contains all such transactions in the absence of financial data of subsidiaries.*

*As per Regulation 24 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Notice No. 20230630-12 dated 30.06.2023, the due date of submission of Secretarial Compliance Report in XBRL format for Financial Year March 31, 2023 was June 30, 2023. XBRL filing of Annual Secretarial Compliance Report is not seen done by the Company.*

*As per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Notice No. 20230630-12 dated 30.06.2023, intimations of appointment of CEO on 03.10.2023, reappointment of whole time director 10.08.2023 and outcome of extra ordinary general meeting on 07.06.2023 not seen filed in XBRL mode.*

*As per Regulation 31 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital. Stock exchange intimations in relation to preferential allotment of 921781 shares (8.29% of existing capital*

structure) made on 04/01/2024, to stock exchange was not within 10 days of capital restructuring.

*As per Regulation 36(4) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Notice No. 20230630-12 dated 30.06.2023 the submission in XBRL mode to be made at the same time when the listed entities file Form AOC-4 (XBRL) with Ministry of Corporate Affairs. Submission of Annual Report in XBRL format is not done for the FY 2022-23 at the same time when the Company filed Form AOC-4 (XBRL) with Ministry of Corporate Affairs.*

*As per Schedule B - 4(1) of the Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015, the trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Trading window is not seen closed for appointment of new CEO and Preferential Issues. Further there is a delayed intimation of trading window closure for quarterly results 31.03.2023, 30.06.2023 and 30.09.2023.*

*NFRA1 is yet to be filed by the body corporate subsidiary of the Company.*

*The Company has not issued a newspaper advertisement for book closure in accordance with Section 91 of the Companies Act.*

*The Company has received a notice dated July 8, 2024, from Liquidator appointed for Katra Holdings Limited (KHL), Mauritius, the Holding Company pursuant to the order of the Supreme Court, Mauritius dated 19.06.2024.*

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

At the Extra Ordinary General Meeting held on 07.06.2023 the Company has passed a resolution for adoption of new Articles of Association. A resolution was also proposed to offer, issue and allot equity shares of the company to investors on preferential basis. The said resolution was withdrawn by the company. Due to prevailing market conditions and further discussions with its proposed investor, it was proposed to review the requirement of additional capital in near future, amend and enhance the proposition.

At the Annual General Meeting held on 27.09.2023, the following resolutions were passed, among others:

To renew the related party agreement with Ayurvedagram Heritage Wellness Centre Private Limited for sale of medicines upto Rs.500 lakhs during the period 01.04.2023 to 31.03.2024.

To take control over the business segment Nutraveda from Katraphytochem (India) Pvt Ltd. and to enhance the limit of Related party transactions with Katraphytochem (India) Pvt. Ltd. as a yearly limit up to Rs. 5 crores for purchase of raw material and up to Rs. 5 crores for sale of products, for FY 23-24.

To consider and approve the issuance of equity shares (5,55,000 equity shares of face value of Rs. 10/- for an issue price or Rs. 125.21 (including a premium of Rs. 115.21/- per equity share) for an amount upto Rs. 6,94,91,550/-) on preferential basis to Katra Phytochem (India) Pvt Ltd, promoter group by partially adjusting the existing unsecured loan of the company.

To approve Related Party Transactions with Katra Phytochem (India) Private Limited to sell the land held in the name of the company at a value of Rs. 8,14,00,000/- (Rupees Eight Crore Fourteen Lakhs Only) and consequent adjustment to the loan amount of Rs. 8,14,00,000/-.

Approval to sell/transfer or otherwise dispose of the land situated at SY No.7/2 at Naganayakanakote, Anugondanahalli Hobli, Hoskote Taluk, Bangalore having an area of 2.85

acres held in the name of the company towards using the sale proceeds to settle partially the loan extended by Katra Phytochem (India) Private Limited.

At the Extra Ordinary General Meeting held on 20.12.2023, the following resolutions were passed:

To increase the authorized share capital of the company from Rs.12 Crores to Rs.15 Crores and consequent amendment to the Memorandum of Association of the company.

To offer, issue and allot upto 949172 equity shares for cash at a price of Rs.230/-(including a premium of Rs.220/- per equity share) of the company to investors on preferential basis.

To approve Kerala Ayurveda Employee Restricted Stock Unit Plan, 2023 ("ESOP 2023") of the company for issuance to the employees of company.

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

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

**UDIN: F003067F000971826**

**For SVJS & Associates**

**Company Secretaries**

**CS.Vincent P. D.**

**Managing Partner**

**FCS: 3067**

**CP No: 7940**

Kochi

14.08.2024

## ANNEXURE A

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

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

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

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.



6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31<sup>st</sup> March 2024 but before the issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being incompliance with law, wherever there was scope for multiple interpretations.
8. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

**UDIN: F003067F000971826**

**For SVJS & Associates**

**Company Secretaries**

**CS.Vincent P. D.**

**Managing Partner**

**FCS: 3067**

**CP No: 7940**

Kochi

14.08.2024

FORM No. MR-3  
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2024

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules 2014]*

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- i. The Companies Act, 2013 (‘the Act’) and the Rules made thereunder and the relevant provisions of the Act;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder: To the extent applicable to an Unlisted Company which is material subsidiary of a Listed Company;

- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder: - To the extent applicable to an Unlisted Company which is material subsidiary of a Listed Company;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings: - Not applicable as the Company as the Company does not have any FDI;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): - To the extent applicable to an Unlisted Company which is material subsidiary of a Listed Company.
- vi. We further report that having regard to the compliance system prevailing in the Company, we have not reviewed the other laws specifically applicable to the Company.

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

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

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:

- a) **Non-compliance of Secretarial Standards:** During the period under review, the notes to agenda for board meetings were not sent to Directors. Additionally, the draft and signed minutes of these meetings were not circulated to the board members as required under Secretarial Standards.
- b) **Maintenance of books of accounts and audit trail as per Rule 3 of the Companies (Accounts) Rules, 2014:** According to Rule 3 of the Companies (Accounts) Rules, 2014, the books of account and other relevant documents maintained in electronic form must be accessible in India at all times. Additionally, the Company must use accounting software which has a feature of recording audit trail for every transaction. However, during the

period under review, the Company has not used the accounting software with this audit trail feature.

We further report that:

- The Board of Directors of the Company was duly constituted during the year under review. The changes in the composition of the Board of Directors that took place during the period under review carried out in compliance with the provisions of the Act.
- During the period under review, decisions were carried through unanimously and no dissenting views have been recorded.

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

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

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc., having a major bearing on the Company's Affairs.

**For BMP & Co. LLP,  
Company Secretaries**

**Date: 28 August 2024**

**Place: Bangalore**

**PR NO: 736/2020**

**UDIN: F008750F001062275**

**CS Biswajit Ghosh**

**Designated Partner**

**FCS No: 8750, CP No: 823**

**ANNEXURE - 6****FORM NO. AOC -2**

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

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

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

| Sr. No. | Particulars   | Details  |
|---------|---|--|
| 1.      | Name (s) of the related party & nature of relationship  | Ayurvedagram Heritage Wellness Centre Pvt. Ltd.,<br>Subsidiary company |
| 2.      | Nature of contracts/arrangements/transaction  | Sale of Ayurvedic Medicines  |
| 3.      | Duration of the contracts/arrangements/transaction  | 01.04.2023 to 31.03.2024   |
| 4.      | Salient terms of the contracts or arrangements or transaction including the value, if any                         | 15% discount on the MRP of Company Products                            |
| 5.      | Justification for entering into such contracts or arrangements or transactions                                    | Being a subsidiary of the company, KAL is offering such discount       |
| 6.      | Date of approval by the Board   | 14 <sup>th</sup> August 2023   |
| 7.      | Amount paid as advances if any  | NIL  |
| 8.      | Date on which the special resolution was passed in General meeting as required under first proviso to Section 188 | 27 <sup>th</sup> September, 2023                                       |
| 9.      | Total Value of Transaction during the year  | 70.40 lakhs  |

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

Amount in  
Lacs

| SL. No | Name(s) of the related party and nature of relationship                | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board | Amount paid as advances, if any: |
|--------|--|---|---|---|----------------------------------|----------------------------------|
| 1.     | All Season Herbs Private Limited - Director's Relative                 | Purchase of Raw Material and Job Work         | Need Based  | 19.44   | 14 <sup>th</sup> February 2021   | Nil                              |
| 2.     | Ayurvedagram Heritage Wellness Center Private Limited- Common Director | Sales   | Need Based  | 70.40   | 14 <sup>th</sup> August 2023     | Nil                              |
| 3.     | Ayurvedagram Heritage Wellness Center Private Limited- Common Director | Services rendered                             | Need Based  | 73.33   | 14 <sup>th</sup> August 2023     | Nil                              |
| 4.     | Ayurvedic Academy Inc, USA- Subsidiary                                 | Services rendered                             | Need Based  | 50.67   | 14 <sup>th</sup> February 2021   | Nil                              |
| 5.     | S R Pharmaceuticals  | Services received                             | Need Based  | NIL   | 14 <sup>th</sup> February 2021   | Nil                              |
| 6.     | Kerala Ayurveda Research and Education Foundation                      | Services rendered                             | Need Based  | 0.40  | 14 <sup>th</sup> February 2021   | Nil                              |
| 7.     | Katra Phytochem (India) Pvt Ltd- Common Director                       | Sale of goods                                 | Need Based  | NIL   | 14 <sup>th</sup> February 2021   | Nil                              |

|     |  |                      |            |        |                                   |     |
|-----|--|----------------------|------------|--------|-----------------------------------|-----|
| 8.  | Katra Phytochem<br>(India) Pvt Ltd-<br>Common Director   | Purchase of<br>goods | Need Based | 11.58  | 14 <sup>th</sup> February<br>2021 | Nil |
| 9.  | Katra Phytochem<br>(India) Pvt Ltd-<br>Common Director   | Interest             | Fixed      | 95.19  | 14 <sup>th</sup> February<br>2021 | Nil |
| 10. | Katra Phytochem<br>(India) Pvt Ltd-<br>Common Director   | Loan                 | Need Based | 848.07 | 14 <sup>th</sup> February<br>2021 | Nil |
| 11  | Mason &<br>Summers Leisure<br>Pvt Ltd-Common<br>Director | Services<br>received | Need Based | NIL    | 14 <sup>th</sup> February<br>2021 | Nil |
| 12  | Suveda Inc<br>(Nutraveda Inc),<br>USA                    | Sale of goods        | Need Based | 101.23 | 14 <sup>th</sup> February<br>2021 | Nil |
| 13  | Suveda Inc<br>(Nutraveda Inc),<br>USA                    | Services<br>rendered | Need Based | 12.82  | 14 <sup>th</sup> February<br>2021 | Nil |
| 14  | Katra Holding<br>Private Limited                         | Loan                 | Need Based | 62.25  | 14 <sup>th</sup> February<br>2021 | Nil |

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

**Sd/-  
Ramesh Vangal,  
Chairman (DIN: 00064018)**

**Sd/-  
K T George,  
CFO**

**Sd/-  
Jyothi Gulecha,  
Company Secretary**

## ANNEXURE 7

Information in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Amendment Rules, 2016 and forming part of the Board's Report for the year ended 31.03.2024

### A. CONSERVATION OF ENERGY:

|   |   |  |
|---|---|--|
| 1 | The Steps taken or Impact on conservation of energy | <p>1: Solar panel proposal for 44.52KWp - Techno-Commercial Proposal for Installation of Grid Connected Solar Rooftop/Ground mounted Power Plant - Our HO factory's monthly average power requirement is 140kwp. In the first phase we planned to introduce a 50kw station in our rooftop (PRD SF, Organic roof area). It will help us to save 36000/- in the monthly bill and shut down days can be sold to KSEB via the grid. The project cost is 28 Lacs and breakeven 6.5 Years maximum.</p> <p>2: Glasshouse introduced in RDD Plant for dry raw material (Electric Drier can be eliminated 50% ) Cost 2 lacs</p> <p>3: A new Boiler plan has been given- Furnace oil to Wood or wood chips.(Cost 90Lacs)</p> <p>4: • The Condensate Water Recovery System which was erected In-house has helped to achieve 75-85% recovery; Cost savings is 4 to 7 Lacs/Annum; Make-up water consumption will reduce.</p> <p>5:• Ambient Air Quality Monitoring, Online stack monitoring, and Sound level monitoring tests are conducted quarterly to maintain Particulate Matter SO<sub>2</sub>, NO<sub>2</sub>, and other pollutants well below the prescribed stipulated standards as per the rules of regulatory authorities</p> <p>6: • Replaced the Drier which used old halogen bulbs to electric coil/Steam.(7 Lacs)</p> |
|---|---|--|



|   |   |   |
|---|---|---|
|   |   | 7: Motion sensor introduced in the work area ( If a man is not present Fan/Light will turn off automatically to save power.   |
| 2 | The Steps taken By the Company for utilizing alternate source of energy | 1: New Boiler approved From Furnace oil to wood-fired boiler.<br>2: HO Plant kwath waste disposal- new vendor introduced. They will take waste free of cost and they can use it for fertilizer preparation. |

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

|   |   |   |
|---|---|---|
| 1 | The efforts made towards technology absorption  | New machineries with advanced facilities were erected for production enhancement.                               |
| 2 | The benefits derived like product improvement, cost reduction, product development or import substitution | Due to the addition of modern machineries, we could improve the production time line as well as cost reduction. |

|   |   |   |
|---|---|---|
| 3 | Details of imported technology                                | During the year, company has not imported any technology. |
| 4 | The expenditure incurred on research and development          |   |
| A | Capital   | NIL   |
| B | Deferred Revenue Expenditure                                  | 60.36   |
| C | Revenue Expenditure   | 15.25   |
| D | Total   | 75.61   |
| E | Total Research and Development expenditure as a % of turnover | 1.03%   |

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

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

|   |                           |             |
|---|---------------------------|-------------|
| 1 | Foreign Exchange Earnings | 145.75 Lacs |
| 2 | Foreign Exchange Outgo    | 84.21 Lacs  |

# REPORT ON CORPORATE GOVERNANCE

The report states compliance with the requirements of the Companies Act, 2013 (the 'Act'), and Regulation 17 to 27 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') as applicable to the Company as on 31<sup>st</sup> March, 2024.

## PHILOSOPHY

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

## BOARD OF DIRECTORS

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

## COMPOSITION

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

As on 31 March 2024, the Board of the Company comprised of Eight directors, of whom three were non-executive non independent directors, four were non-executive independent directors and one was executive director. The Board has no institutional nominee directors.

## NUMBER OF MEETINGS OF THE BOARD

During the financial year 2023-24, the Board of Directors of the Company met on the following dates-11<sup>th</sup> May, 2023, 30<sup>th</sup> May, 2023, 12<sup>th</sup> July, 2023, 10<sup>th</sup> August, 2023, 31<sup>st</sup> August, 2023, 3<sup>rd</sup> October, 2023, 14<sup>th</sup> November, 2023, 24 November, 2023 and 14<sup>th</sup> February, 2024. The gap between any two meetings is pursuant to the provisions of Listing Regulations and The Companies Act, 2013.

## ATTENDANCE RECORD OF DIRECTORS

Table 1: Composition of the Board and attendance record of directors for FY 2023-24

| Name of the Director          | Category                                  | No. of Board Meeting entitled attended | No. of Board Meeting attended | Whether attended AGM |
|-------------------------------|---|--|-------------------------------|----------------------|
| Mr. Ramesh Vangal             | Chairman, Non-Executive/Promoter Director | 9                                      | 9                             | Yes                  |
| Mr. Gokul Patnaik             | Non-executive / Promoter Director         | 9                                      | 9                             | Yes                  |
| Dr. Kunjupanicker Anilkumar   | Wholetime Director, Executive             | 9                                      | 9                             | Yes                  |
| Mr. Subramaniam Krishnamurthy | Non-Executive, Independent                | 9                                      | 9                             | Yes                  |
| Mr. Anand Subramanian         | Non-Executive                             | 9                                      | 8                             | Yes                  |
| Ms. Shilpa Kiran Gududur      | Non-Executive, Independent                | 9                                      | 9                             | Yes                  |
| Mr. Harish Kuttan Menon       | Non-Executive, Independent                | 9                                      | 9                             | Yes                  |
| Mr. Rajesh Sharma             | Non-Executive, Independent                | 9                                      | 9                             | Yes                  |

### Pecuniary relationship or transactions

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

### Opinion of the Board

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

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

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

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

Mr. Gokul Patnaik, non-executive director of the Company holds 65 Equity shares of the Company. None of the other non-executive directors hold any shares in the Company.

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

During FY 2023-24, sitting fees of Rs. 25,000/- per meeting was paid to non-executive independent directors for every meeting of the Board and Rs.15,000/- per meeting was paid for every meeting of the Committee of the Board attended by them. No sitting fees was paid to non-executive non independent director. No commission was paid to the non-executive directors during the FY 2023-24. The Company does not have stock option plan for any of its directors.

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

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

The Board is periodically updated on important developments in the business segments and other arenas through presentations made by the function heads. The directors have separate and independent access to officers of the Company. In addition to items which are required to be placed before the Board for its noting or approval, information on various significant items is also provided. In terms of quality and importance, the information supplied by the Management to the Board is beyond the list mandated under the Listing Regulations. The independent directors, at their separate meeting held on 14<sup>th</sup> February 2024, assessed the quantity, quality, and timely flow of information between the Management and the Board, and found it to be in line with the expectations.

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

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

## Directorships and memberships of Board Committees

Table 2: Directorship/Committee positions as on 31<sup>st</sup> March, 2024 in Kerala Ayurveda and other Companies

| Sl. No | Name (s) of Directors         | *Directorship held in all Companies (inclusive of Kerala Ayurveda Limited) | Name of the other Listed Companies where he/she is a director (exclusive of Kerala Ayurveda Limited) |                      | **Committee Positions as Member and Chairperson in Listed and Unlisted Public Limited Companies (inclusive of Kerala Ayurveda Limited) |          |
|--------|-------------------------------|--|--|----------------------|--|----------|
|        |                               |  | Company  | Type of Directorship | Member   | Chairman |
| 1.     | Mr. Ramesh Vangal             | 12   | NA   | NA                   | 1  | 0        |
| 2.     | Mr. Gokul Patnaik             | 11   | NA   | NA                   | 0  | 0        |
| 3.     | Dr. Kunjupanicker Anilkumar   | 2  | NA   | NA                   | 1  | 0        |
| 4      | Mr. Subramaniam Krishnamurthy | 3  | NA   | NA                   | 1  | 1        |
| 5.     | Mr. Anand Subramanian         | 17   | NA   | NA                   | 1  | 1        |
| 6.     | Mr. Harish Kuttan Menon       | 2  | NA   | NA                   | 1  | 0        |
| 7.     | Ms. Shilpa Kiran Gududur      | 1  | NA   | NA                   | 0  | 0        |
| 9.     | Rajesh Sharma                 | 6  | NA   | NA                   | 0  | 0        |

\* Excludes Directorship in private limited companies, foreign companies, high value debt listed entities and Section 8 Companies.

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

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

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

#### **Disclosure of the Relationship Between Directors Inter se**

None of the Directors are inter-se related to each other.

#### **Certificate from practicing company secretary**

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

#### **Review of legal compliance reports**

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

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

The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The Listing Regulations require listed companies to lay down a code of conduct for directors and senior management, incorporating duties of directors as laid down in the Act. Accordingly, the Company has a Board approved code of conduct for all Board members and Senior Management of the Company. The said code has been placed on the Company's website <https://www.keralaayurveda.biz/investor-relationships> All the Board members and Senior Management personnel have affirmed compliance with the code for the year ended 31<sup>st</sup> March 2024. A declaration to this effect signed by the Whole time Director and Chief Executive Director of the Company forms a part of this Report.

**NON-COMPLIANCE OF REGULATIONS RELATING TO CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IF ANY**

All the requirements of Corporate Governance Report of sub paragraphs (2) to (10) Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly complied with.

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

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

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

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

#### **Performance evaluation**

The Nomination & Remuneration Committee of the Company, in accordance with the provisions of Companies Act, 2013 and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 laid down the criteria for the Performance Evaluation of the Board, each committee and every Director including Independent Directors and Chairman. The performance evaluation of every director including Independent Directors, Board and Committee was carried out on 14<sup>th</sup> February, 2024. All the Directors were participative, interactive, and communicative during the evaluation process.

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

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

#### **Remuneration policy**

Your Company has adopted a Nomination and remuneration Policy on the recommendation of the Nomination and Remuneration Committee. The Policy is shown as **Annexure 3** to the



Directors Report and is also available on the website of the Company <https://www.keralaayurveda.biz/investor-relationships>.

#### **Familiarization programs for Independent Directors**

With a view to familiarizing the independent directors with the Company's operations, as required under the Listing Regulations, the Company has held programs for independent directors for familiarizing them with the Company, business model of the Company, their roles, rights and responsibilities, etc., throughout the year and on a continuing basis.

The policy on familiarization programs for all independent and details of familiarization programs in terms of Regulation 46(2) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as available on the website of the company <https://www.keralaayurveda.biz/investor-relationships>

The details are given below as well:

| Particulars  | During the Year                               | Cumulative till date  |
|--|---|---|
| Number of programmes attended by Independent Directors (During the year and on cumulative basis till date)           | One program on 14 <sup>th</sup> February 2023 | 6 <sup>th</sup> November 2015<br>16 <sup>th</sup> November 2016<br>27 <sup>th</sup> September 2017<br>15 <sup>th</sup> November 2018<br>13 <sup>th</sup> February 2020<br>5 <sup>th</sup> December 2020<br>14 <sup>th</sup> February 2022<br>14 <sup>th</sup> February 2023 |
| Number of hours spent by Independent Directors in such program's (during the year and on cumulative basis till date) | 3 hours                                       | 28 Hours  |

### Independent Directors Proficiency test

- Ms. Shilpa Kiran Gududur has undergone the Independent Directors Proficiency test.
- Mr Subramaniam Krishnamurthy is exempted from undergoing the Independent Directors Proficiency test
- Mr. Harish Kuttan Menon has undergone the Independent Directors Proficiency test.
- Mr Rajesh Sharma has not yet passed the Proficiency test. He has time upto 30<sup>th</sup> July 2025

### Whistle blower policy/vigil mechanism

The Company has adopted whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee. The said policy is available on the Company's website at [www.keralaayurveda.biz](http://www.keralaayurveda.biz)

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

During FY 2023-24, none of the employees has been denied access to the Audit Committee under this policy.

### Core skills and expertise of directors

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

**Table 3: Core skills/expertise/competencies:**

| Sr. No. | Category                            | Directors               |
|---------|-------------------------------------|-------------------------|
| 1.      | Knowledge on the Company's business | Kunjupanicker Anilkumar |
| 2.      | Financial and Management skills     | Anand Subramanian       |

|    |                                 |  |
|----|---------------------------------|--|
| 3. | Behavioural skills              | Gokul Patnaik                                      |
| 4. | Sales and marketing             | Harish Kuttan Menon                                |
| 5. | Corporate Governance and Ethics | Subramaniam Krishnamurthy and Shilpa Kiran Gududur |
| 6. | Strategy and planning           | Ramesh Vangal and Anand Subramanian                |

### SUBSIDIARY COMPANIES

During the FY 2023-24 your Company has seven subsidiaries including one step down subsidiary and the details are as under:

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

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

The policy on determining material subsidiaries is available on the Company's website <https://www.keralaayurveda.biz/investor-relationships>. Ayurvedagram Heritage Wellness Centre Private Limited is a material subsidiary within the meaning of the Listing Regulations. During FY 2023-24, the Audit Committee reviewed the financial statements and in particular, the investments made by the unlisted subsidiary companies. Minutes of the Board meetings of the subsidiary companies were regularly placed before the Board of the Company. The Board periodically reviewed the statement of all significant transactions and arrangements entered by the unlisted subsidiary.

## RELATED PARTY TRANSACTIONS

All related party transactions which were entered into during FY 2023-24 were on an arm's length basis and in the ordinary course of business under the Act except with M/s. Ayurvedagram Heritage Wellness Centre Private Limited, Material Subsidiary of the Company and materially significant related party transaction with M/s Katra Phytochem (India) Private Limited for which approval of the Shareholders was taken in the AGM conducted during FY 2022-23. The details of which are mentioned in AOC-2 which forms a part of the Annual Report. There was a material related party transaction entered during the year. All related party transactions during FY 2023-24 were entered with the approval of the Audit Committee pursuant to the provisions of the Act and the Listing Regulations. The details of such transactions were placed before the Audit Committee for noting /review, on a quarterly basis.

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

The policy to determine on dealing with related party transactions has been framed and the same is disclosed on the Company's website at the link <https://www.keralaayurveda.biz/investor-relationships>.

### Disclosure of accounting treatment

The Company has not followed any differential treatment from that prescribed under Accounting Standards for the preparation of Financial Statements during the year under review.

## AUDIT COMMITTEE

The Audit committee comprises of Three directors viz. Mr. S. Krishnamurthy, Chairman, Mr. Harish Kuttan Menon and Mr. Anand Subramanian as members as on 31st March 2024. Two-Third of the Members of this committee are independent directors and Chairman is an Independent Director. All members of audit committee are financially literate, and Mr. Anand Subramanian has accounting or related financial management expertise.

The terms of reference of the Committee include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions of the Company with related parties. The terms of reference of the Audit Committee are available on the website of the Company at <https://www.keralaayurveda.biz/investor-relationships>.

### Meeting and attendance

During FY 2023-24, the Committee met seven times. The gap between any two meetings has been less than one hundred and twenty days. The Company Secretary has acted as the secretary of the Committee.

Mr. S Krishnamurthy, Chairman of the Audit Committee was present at the AGM of the Company held on 27<sup>th</sup> September, 2023 to answer member's queries.

**Table 4: Composition of the Audit Committee and attendance record of the members for FY 2023-24**

| Name of the director          | Category                   | No. of Meeting entitled to attend | No. of meetings attended |
|-------------------------------|----------------------------|-----------------------------------|--------------------------|
| Mr. Harish Kuttan Menon       | Non-executive, Independent | 7                                 | 7                        |
| Mr. Anand Subramanian         | Non-executive              | 7                                 | 6                        |
| Mr. Subramaniam Krishnamurthy | Non-executive, Independent | 7                                 | 7                        |

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

### NOMINATION AND REMUNERATION COMMITTEE

The company has duly constituted Nomination & Remuneration Committee as per the regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013 and the Rules made thereunder.. All the directors of the Committee were non-executive and 50% of the directors were independent directors.

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

Remuneration Committee are available on the website of the Company at <https://www.keralaayurveda.biz/investor-relationships>.

### Meeting and attendance

During FY 2023-24, the Committee met 3 times.

Composition of the Nomination and Remuneration Committee and attendance record of the members for FY 2023-24.

| Name of the director          | Category                             | No. of meeting entitled to attend | No. of meetings attended (out of 1) |
|-------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|
| Mr. Subramaniam Krishnamurthy | Chairman, non-executive, independent | 3                                 | 3                                   |
| Mr. Ramesh Vangal             | Non-executive                        | 3                                 | 3                                   |
| Mr Harish Kuttan Menon        | Non-executive, independent           | 3                                 | 3                                   |

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship committee of the company has been duly constituted in line with the provisions of Regulation 20 of the Listing Regulations read with Section 178(5) of the Companies Act, 2013. The committee oversees the transfer of shares, and complaints and grievances of security holders and investors of the Company. More details on this subject and on shareholders' related matters have been furnished in 'General Shareholder Information'.

### Meeting and attendance

During FY 2023-24, the Committee met fourteen times.

| Name of the director          | Category                       | No. of meetings attended (out of 14) |
|-------------------------------|--------------------------------|--------------------------------------|
| Mr. Anand Subramanian         | Chairman, non-executive        | 14                                   |
| Dr. Kunjupanicker Anilkumar   | Wholetime Director (Executive) | 14                                   |
| Mr. Subramaniam Krishnamurthy | Non-executive, independent     | 14                                   |

Mr. Anand Subramanian, Chairman of the Committee was present at the AGM of the Company held on 27<sup>th</sup> September 2023 to answer the queries of the members.

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

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

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

### **MEETING OF INDEPENDENT DIRECTORS**

The independent directors meeting in accordance with the provisions of Schedule IV (Code of Independent Directors) of the Companies Act, 2013 and the rules made thereunder and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was held on 14<sup>th</sup> February 2024 without the presence of Non-Independent Directors and executive members of the management, and:

- noted the report on performance evaluation for the year 2023-24 from the Chairman of the Board.
- reviewed the performance of non-independent directors and the Board as a whole.

reviewed the performance of the Chairperson of the Company, considering the views of executive director and non-executive directors; and

- assessed the quantity, quality and timely flow of information between the Management and the Board and found it to be in line with expectations.

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

### **REMUNERATION OF DIRECTORS**

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

During the FY 2023-24 there were no pecuniary relationships or transactions of any non-executive directors with the Company.

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

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

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

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

During the Financial Year 2023-24, the Company has paid remuneration to Dr. Kunjupanicker Anilkumar, Whole time Director of the Company as provided in the Annual return available at the website of the Company. The tenure of the Whole time Director is for 3 years with the notice period of 3 months or salary in lieu of thereof. The performance pay/bonus of the Whole time Director is based on the performance of the Company and his contribution for the same. During the Financial Year 2023-24 no stock options were granted to the Whole time Director. The Whole time Director is also entitled to other perquisites and benefits mentioned in the agreement entered into with the Company. During the Financial Year 2023-24 the Company did not advance any loan to its directors.

### **Disclosure of material transactions**

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

### **Senior management:**

Company has appointed Mr. Vivek Sunder as Chief Executive Officer (CEO) of our Company w.e.f., 03/10/2023

### **COMPLIANCE REGARDING INSIDER TRADING**

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



Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”).

### INFORMATION ON GENERAL BODY MEETINGS

Please find below details for general meetings held by the Company in last three financial years:

|           |                                  |  |
|-----------|----------------------------------|--|
| 2019-2020 | 30 <sup>th</sup> September, 2020 | At 11.00A.M (Through Video Conferencing)   |
| 2020-2021 | 30 <sup>th</sup> September, 2021 | At 11.00 A.M. (Through Video Conferencing) |
| 2021-2022 | 27 <sup>th</sup> September, 2022 | At 11.00 A.M. (Through Video Conferencing) |
| 2022-2023 | 27 <sup>th</sup> September, 2023 | At 11.00 A.M. (Through Video Conferencing) |

### DETAILS OF SPECIAL RESOLUTION(S) PASSED AT THE LAST THREE AGMs AND THROUGH POSTAL BALLOT DURING FY 2019-20

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

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

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

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

At the AGM held on 27<sup>th</sup> September, 2023 special resolutions were passed for :-

- 1) . To consider and approve the issuance of equity shares on preferential basis to Katra Phytochem(India) Pvt Ltd, promoter group by partially adjusting the existing unsecured loan of the company.
- 2) To approve Related Party Transactions(RPTs) with Katra Phytochem(India) Private Limited to sell the land held in the name of the company

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

At the EGM held on 7 June 2023, following special resolutions were passed by the Company:

- 1) To Adopt new Articles of Association of the Company.
- 2) To offer, issue and allot equity shares of the company to investors on preferential basis.

**ii. Special resolutions passed through postal ballot during the last three financial years**

No postal ballot was conducted during the period under reference.

**iii. Special Resolutions passed through Postal Ballot on 8<sup>th</sup> July, 2024**

- a) To approve the continuation of Mr. Kunjupanicker Anilkumar (DIN:00226353) as Whole-Time Director of the company upon attaining the age of Seventy years.
- b) To approve the Alteration/Variation in utilization of proceeds for preferential allotment of 9,21,781 Equity Shares.

**Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

**Disclosure pertaining to 'Loans and advances in the nature of loans to firms/companies in which directors of the Company are interested'.**

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

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

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

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

|  |     |
|--|-----|
| Number of complaints filed during FY 2023-24         | NIL |
| Number of complaints disposed of during FY 2023-24   | NIL |
| Number of complaints pending as on end of FY 2023-24 | NIL |

## COMPLIANCE CERTIFICATE

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

## REPORT ON CORPORATE GOVERNANCE

This chapter read together with the information given in the section on 'General Shareholder Information', constitute the report on corporate governance during FY 2023-24. A section on 'Management Discussion and Analysis' for FY 2023-24 is also included in this Annual Report. The Company duly submits the quarterly compliance report to the stock exchanges.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

## STATUTORY AUDITORS

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

| Payment to Statutory Auditors | FY 2023-24 (In Lakhs) |
|-------------------------------|-----------------------|
| Audit Fees                    | 4,00,000              |
| Tax Audit Fees                | 50,000                |
| Reimbursement of expenses     | 1,15,000              |
| <b>Total</b>                  | <b>5,65,000</b>       |

## COMPLIANCE OF MANDATORY REQUIREMENTS UNDER THE LISTING REGULATIONS

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

### Disclosure relating to adoption of Discretionary Requirements:

- (a) The Board: The Company has an Non-Executive Chairman, related to promoter.
- (b) Shareholders' Right: The Company does not mail the Unaudited Half-yearly Financial Results individually to its Shareholders. However, these are published in one English and one local newspaper and are also posted on the website of the Company.

(c) Modified Opinion(s) in Audit Report: NIL

(d) Reporting of Internal Auditor: The Internal Auditors report to the Audit Committee on a quarterly basis.

(e) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Mr. Ramesh Vangal, Non-Executive, Non-Independent Director (related to promoter) is the Chairperson. Mr. Kunjupanicker Anil Kumar is the Whole-time Director of the Company. Mr. Vivek Sunder is Chief Executive Officer of the Company.

(f) Reporting of internal auditor: The internal auditor reports directly to the audit committee of the Company.

## GENERAL SHAREHOLDER INFORMATION

### 32<sup>nd</sup> Annual General Meeting

|      |                                  |
|------|----------------------------------|
| Date | 20 <sup>th</sup> September, 2024 |
| Time | 11.00 a.m                        |

### Financial calendar for FY 2023-24

|   |                       |                  |
|---|-----------------------|------------------|
| Unaudited first quarter financial results                   | Before August, 2024   | 15 <sup>th</sup> |
| Unaudited second quarter financial results                  | Before November, 2024 | 15 <sup>th</sup> |
| Unaudited third quarter financial results                   | Before February, 2025 | 15 <sup>th</sup> |
| Annual Accounts for FY 2024-25                              | During April/May 2025 |                  |
| Annual General Meeting for the year ending 31st March, 2025 | During 2025           | September        |

### Means of Communication

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

available on the website in a user-friendly and downloadable form. The official news releases of the company are displayed on its website.

### **Registrar and share transfer Agent**

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

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

### **Date of book closure**

The register of members and share transfer books of the Company will remain closed from Sunday, 15<sup>th</sup> September, 2024 to Friday, 20<sup>th</sup> September, 2024 (both days inclusive).

### **Dividend**

The Directors do not recommend payment of dividend for the Financial -Year 2023-24.

List of credit ratings:

### **Share transfer system**

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

### **Dematerialization/ Dematerialization of shares and liquidity**

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder must open a Demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form

and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the Demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

As on 31st March, 2024, 96.98% of the Company's total shares representing 11671194 shares are held in dematerialised form and 3.02% representing 3, 61257 shares are in physical form.

| Category             | Number          | % of Total Equity |
|----------------------|-----------------|-------------------|
| <b>Demat Mode</b>    |                 |                   |
| NSDL                 | 9531369         | 79.21             |
| CDSL                 | 2139825         | 17.77             |
| <b>Physical Mode</b> | 361257          | 3.02              |
| <b>Grand Total</b>   | <b>12032451</b> | <b>100.00</b>     |

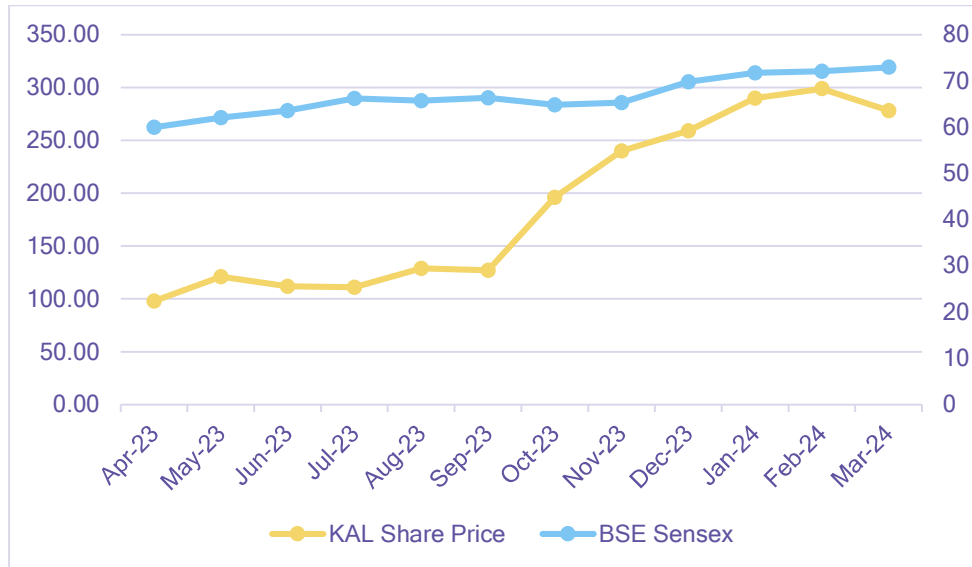
|  |   |
|--|---|
| Listing on stock exchange and stock code | <p>BSE Ltd.<br/> Phiroze Jeejeebhoy Towers, Dalal Street<br/> Mumbai- 400001<br/> Phones: (022) 22721233/4, 91-22-66545695<br/> Fax: (022) 22721919<br/> Stock Code: 530163</p> |
|--|---|

Annual listing fees, as prescribed, have been paid to the said stock exchange upto 31<sup>st</sup> March 2024

#### Market Price Data: High and low during each month in the financial year 2023-24

| Month  | High | Low | Average |
|--------|------|-----|---------|
| Apr-23 | 113  | 83  | 98      |
| May-23 | 145  | 98  | 121     |
| Jun-23 | 124  | 101 | 112     |
| Jul-23 | 118  | 103 | 111     |
| Aug-23 | 145  | 114 | 129     |
| Sep-23 | 138  | 116 | 127     |
| Oct-23 | 255  | 138 | 196     |
| Nov-23 | 281  | 200 | 240     |
| Dec-23 | 284  | 235 | 259     |
| Jan-24 | 330  | 250 | 290     |
| Feb-24 | 329  | 268 | 299     |
| Mar-24 | 304  | 253 | 278     |

**Stock performance of the Company: Kerala Ayurveda Limited (KAL) vs. BSE Sensex**  
**Stock price performance of KAL vs BSE Sensex for year ended 31st March 2024**



**Distribution of shareholding as on 31<sup>st</sup> March, 2024**

| Slno | Category of Shares | Holders     | % to holder   | Shares          | % to Shares   |
|------|--------------------|-------------|---------------|-----------------|---------------|
| 1    | Upto 5000          | 8130        | 92.53         | 608650          | 5.06          |
| 2    | 5001 - 10000       | 266         | 3.03          | 211464          | 1.75          |
| 3    | 10001 - 20000      | 171         | 1.95          | 260132          | 2.16          |
| 4    | 20001 - 30000      | 60          | 0.68          | 153450          | 1.28          |
| 5    | 30001 - 40000      | 35          | 0.4           | 126222          | 1.05          |
| 6    | 40001 - 50000      | 23          | 0.26          | 104928          | 0.87          |
| 7    | 50001 - 100000     | 41          | 0.47          | 294349          | 2.45          |
| 8    | ABOVE 100001       | 60          | 0.68          | 10273256        | 85.38         |
|      | <b>Total</b>       | <b>8786</b> | <b>100.00</b> | <b>12032451</b> | <b>100.00</b> |

**Shareholders Profile as on 31st March, 2024**

| Sl. No. | Category                        | Holders     | Holders %     | No of shares    | Shares %      |
|---------|---------------------------------|-------------|---------------|-----------------|---------------|
| 1       | BANKS                           | 1           | 0.01          | 1709            | 0.01          |
| 2       | BODIES CORPORATE                | 73          | 0.84          | 459120          | 3.82          |
| 3       | CLEARING MEMBER                 | 5           | 0.06          | 2485            | 0.02          |
| 4       | DIRECTOR AND RELATIVES          | 3           | 0.03          | 193446          | 1.61          |
| 5       | FOREIGN INSTITUTIONAL INVESTORS | 1           | 0.01          | 25737           | 0.21          |
| 6       | HUF                             | 45          | 0.51          | 23108           | 0.19          |
| 7       | LIMITED LIABILITY               | 3           | 0.03          | 71686           | 0.60          |
| 8       | MUTUAL FUND                     | 1           | 0.01          | 2976            | 0.02          |
| 9       | N R I                           | 135         | 1.54          | 325004          | 2.70          |
| 10      | PROMOTERS                       | 2           | 0.01          | 7048435         | 58.58         |
| 11      | RESIDENT INDIAN                 | 8517        | 96.94         | 3878745         | 32.24         |
|         | <b>TOTAL</b>                    | <b>8786</b> | <b>100.00</b> | <b>12032451</b> | <b>100.00</b> |

### Global Depository Receipt, American Depository Receipts

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

### Plant Location

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

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

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

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

### Address for correspondence

The shareholders may address their communications/suggestions/queries to

| Company Address  | Registrar and Transfer Agent   |
|--|--|
| The Company Secretary / Compliance Officer,  | M/s. Integrated Registry Management Services P. Ltd.,  |
| M/s. Kerala Ayurveda Ltd.,   | Kences Towers, 2nd Floor, Ramakrishna Street, Off  |
| VII/415, Nedumbassery, Athani P O, Aluva-683585.   | North Usman Road, T Nagar, Chennai-600 017   |
| Ph: 0484-2476301 (4 lines)<br>Fax: 0484-2474376<br><a href="mailto:companysecretary@keralaayurveda.biz">Email: companysecretary@keralaayurveda.biz</a><br><a href="mailto:investor@keralaayurveda.biz">investor@keralaayurveda.biz</a> | Ph: 044-28140801-03 Fax: 044-28142479<br>E-mail : <a href="mailto:csdstd@integratedindia.in">csdstd@integratedindia.in</a> |

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

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

### Other disclosures

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



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

**Order of the Board of Directors**  
For Kerala Ayurveda Limited

Sd/-

**Ramesh Vangal**

Chairman (DIN: 00064018)

Date: 14<sup>th</sup> August 2024

Place: New Haven, US

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

To,

The Members of

Kerala Ayurveda Ltd.,

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

Management have affirmed compliance with the code of conduct during the financial year ended 31st March, 2024

For Kerala Ayurveda Ltd.

Sd/-

**Dr. Kunjupanicker Anilkumar**

Wholetime Director

(DIN 00226353)

Place: Bengaluru

Date : 14<sup>th</sup> August, 2024

## CERTIFICATE ON CORPORATE GOVERNANCE

To the members of **Kerala Ayurveda Limited**

We have examined the compliance of conditions of Corporate Governance by **Kerala Ayurveda Limited [CIN: L24233KL1992PLC006592]** having its registered office at VII/415, Nedumbaserry, Athani P.O., Alwaye, Ernakulam- 683585, for the year ended **31<sup>st</sup> March, 2024** as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024 *except as under:*

- (a) *As per Regulation 44 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the e-voting facility to be provided to shareholders in terms of sub-regulation (1), shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, or amendments made thereto. As per Rule 20 (4) (xviii) of the Companies (Management and Administration) Rules, 2014, a resolution proposed to be considered through voting by electronic means shall not be withdrawn. Item 2 of Extra Ordinary General Meeting held on 07.06.2023 seen withdrawn by the company at its Extra Ordinary General Meeting.*
- (b) *As per regulation 2(zc) read with Regulation 23 (9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 -The definition of related party transaction has changed. Related party transaction” means a transaction involving a transfer of resources, services or obligations between:*
  - (c) *a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or*
    - (ii) *a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;**As per Regulation 23 (9), the listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website. We are unable to comment on whether Related*

party disclosures for the half year ended 30.09.2023 contains all such transactions in the absence of financial data of subsidiaries.

1. *As per Regulation 24 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Notice No. 20230630-12 dated 30.06.2023, the due date of submission of Secretarial Compliance Report in XBRL format for Financial Year March 31, 2023 was June 30, 2023. XBRL filing of Annual Secretarial Compliance Report is not seen done by the Company.*
2. *As per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Notice No. 20230630-12 dated 30.06.2023, intimations of appointment of CEO on 03.10.2023, reappointment of whole time director 10.08.2023 and outcome of extra ordinary general meeting on 07.06.2023 not seen filed in XBRL mode.*
3. *As per Regulation 31 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital. Stock exchange intimations in relation to preferential allotment of 921781 shares (8.29% of existing capital structure) made on 04/01/2024, to stock exchange was not within 10 days of capital restructuring.*
4. *As per Regulation 36(4) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with BSE Notice No. 20230630-12 dated 30.06.2023 the submission in XBRL mode to be made at the same time when the listed entities file Form AOC-4 (XBRL) with Ministry of Corporate Affairs. Submission of Annual Report in XBRL format is not done for the FY 2022-23 at the same time when the Company filed Form AOC-4 (XBRL) with Ministry of Corporate Affairs.*
5. *As per Schedule B - 4(1) of the Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015, the trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Trading window is not seen closed for appointment of new CEO and Preferential Issues. Further there is a delayed intimation of trading window closure for quarterly results 31.03.2023, 30.06.2023 and 30.09.2023.*

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

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

**UDIN: F003067F000971804**

**For SVJS & Associates  
Company Secretaries**

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

Kochi, 14.08.2024

## CEO /CFO CERTIFICATION

To,  
The Board of Directors,  
Kerala Ayurveda Limited

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

1. We have reviewed financial statements and cash flow statement for the financial year 2023-24 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, 2024 which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, there are no instances of fraud and the Involvement therein of the management or employees having a Significant role in the company's internal control system over financial reporting.

For Kerala Ayurveda Limited

Date: 14<sup>th</sup> August, 2024

Dr. Kunjupanicker Anilkumar  
Wholetime Director(DIN: 00226353)

K T George  
Chief Financial Officer

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members

**KERALA AYURVEDA LIMITED**

VII/415, Nedumbaserry, Athani P.O.,

Alwaye - 683585, Kerala, India

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31<sup>st</sup> March, 2024** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority.

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

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

**Peer Review Certificate No.648 /2019**  
**UDIN: F003067F000971793**

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

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

Kochi

14.08.2024

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## ECONOMIC OVERVIEW

The Indian economy has shown remarkable resilience and growth in the fiscal year 2023-24. The actual economic growth of India in the fiscal year 2023-24 was **8.2%** in terms of real GDP. This growth was a significant increase from the 7.0% growth rate recorded in the previous fiscal year. This growth is driven by strong domestic demand and continuous government efforts toward reforms and capital expenditure. Inflation has been under control, with prudent monetary management playing a crucial role. The external sector remains stable, with strong exports in services and high-value manufacturing. Efforts towards improving employment and skill development have been emphasized, aiming for quality job creation. There have been significant benefits in the social sector, empowering various segments of the population. The country is actively dealing with trade-offs related to climate change and energy transition. The medium-term outlook remains positive, with expectations of continued robust growth and improved capital flows.

One of the standout performers in India's economic recovery has been its pharmaceutical industry. During the fiscal year 2023-24, the Indian pharmaceutical sector experienced significant growth. The domestic pharmaceutical market grew by **8-10%**, while pharmaceutical exports registered a **9.67%** growth. This impressive performance has captured the attention of global pharma giants, who now consider India a priority market. With its strong growth trajectory and the potential for further development, India's pharmaceutical industry is becoming increasingly attractive to international players seeking to tap into the country's burgeoning market.

In the fiscal year 2023-24, the global Ayurvedic market size was estimated at **USD 14.4 billion**. The market is projected to grow at a compound annual growth rate (CAGR) of **27.2%** from 2024 to 2030. This significant growth trajectory signifies the expanding global recognition and acceptance of Ayurveda, positioning India as a key player in the traditional medicine market. As the market continues to flourish, it offers promising opportunities for both domestic and international businesses interested in the Ayurvedic sector.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

In the fiscal year 2023-24, the alternative medicine sector in India, which includes Ayurveda, Yoga, Naturopathy, Unani, Siddha, and Homeopathy (AYUSH), experienced significant growth. The market size is estimated to reach **USD 23.30 billion** by 2024. This growth is driven by increasing awareness about the effectiveness of traditional medicine systems and government initiatives to support these practices. Several factors are driving this expansion, including a

notable increase in awareness among individuals regarding the benefits of alternative medicine. Moreover, there is a rising demand for natural and organic products, as people prioritize holistic and sustainable approaches to health and wellness. The Indian government's dedicated efforts to promote and support the AYUSH sector have also contributed to its growth trajectory. This collective momentum has opened numerous growth opportunities and heightened the industry's prospects.

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

Kerala Ayurveda Limited is a one-of-its-kind, full-spectrum, and listed Ayurveda company in India with a rich heritage of over 75 years and having touched the lives of over a million people. Its footprint spans wellness resorts, hospitals, clinics, academies, products, and services in India and the US.

## **OPPORTUNITIES**

We believe the following are our competitive opportunities:

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

## **RISK, CONCERNS, AND THREATS**

The market has both organized and unorganized players, and the capability and strengths differ. Both are classified under the Ayurveda industry. The organized sector has to work hard to



maintain the parameters so that high standards are maintained, and customers do not lose faith in the practice. Major threats for the Ayurveda industry are regulatory concerns, consumer perceptions, and competition. Regulatory agencies worldwide are focusing on the quality, efficacy, safety, and standardization of herbal medicines. Your company has been working in this area. We have demonstrated excellence in the 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 relationships, and a major portion of our revenue comes from key clients. Initiatives are focused on improving client relationships.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The primary business segment of your company is Ayurveda, and hence no segment-wise reporting is required.

### **FUTURE OUTLOOK**

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

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has strong internal control systems commensurate with the nature of its business, the size, and complexity of its operations. In order to ensure orderly and efficient conduct of business, the company has put in place systems that 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 the protection of resources and assets, and the accurate reporting of financial transactions. The audit findings are reviewed by the audit committee.

### **FINANCIAL PERFORMANCE AND OPERATIONAL PERFORMANCE**

The company has a turnover of **Rs. 7314.12 Lakhs** in 2023-24 as compared to the previous year's sales of **Rs. 6329.88 Lakhs**. Company revenues for FY 23-24 have increased by **16%** to **Rs. 7330.53 Lakhs** vs. **Rs. 6335.89 Lakhs** in FY 2022-23. EBITDA increased to **Rs. 502.22 Lakhs** from **Rs. 461.84 Lakhs** in 2022-23. Consolidated revenues for FY 23-24 have increased

by 16% to Rs. 10837.16 Lakhs vs. Rs. 9369.99 Lakhs in FY 22-23. Consolidated EBITDA increased to Rs. 707.87 Lakhs from Rs. 253.55 Lakhs in 2022-23.

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

The company places great emphasis on its employees and believes that they are the core of the corporate purpose. The HR mission is to empower employees to make continuous improvements and enhance their professional skills. The company believes in respecting the individual rights and dignity of the people. The company believes that human resources are the most valuable assets and a major driver for achieving its goals. Your company continues to invest in human resources to build new businesses while simultaneously improving individual and organizational preparedness for future challenges. The manpower strength of the company as of 31st March 2024 was **468 employees**, including management staff across different locations.

#### **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

In accordance with SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018, the company is required to give details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year). Profit After Tax (PAT) has decreased by **108%**, debt service coverage ratio has decreased by **57%**, Debt equity ratio decreased by **67%**, Current ratio increased by **128%**, Return on equity ratio decreased by **104%**, return on capital employed ratio decreased by **52%**, return on investment ratio decreased by **104%**, Working capital turnover ratio decreased by **160%**,

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

Return on Net Worth has decreased by **21%** as compared to the previous financial year.

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**Order of the Board of Directors**  
For Kerala Ayurveda Limited

Sd/-

**Ramesh Vangal**

Chairman (DIN: 00064018)

Date: 14<sup>th</sup> August 2024

Place: New Haven, US

# INDEPENDENT AUDITOR'S REPORT

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

## Opinion.

1. We have audited the accompanying standalone financial statements of Kerala Ayurveda Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024 , the Statement of Profit and Loss (Including other Comprehensive Income), the Cash Flow statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the act , of the state of affairs (financial position ) of the Company as at March 31, 2024 and its Loss (financial performance including other Comprehensive Income) , its cash flows and the changes in equity for the year ended on that date.

## Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to Our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### Carrying value of Inventory

| Risk Description  | Our Response  |
|---|---|
| <p>Refer to Note 10 to these Financial Statements.</p> <p>The total Inventories as of March 31, 2024 amounted to ₹ 1311.93 lakhs representing 10.58 % of the total assets (2023: ₹ 967.53 Lakhs 9.80 % of the total assets)</p> <p>The Company has significant levels of inventories and significant management judgments are taken with regard to categorization of inventories into obsolete and/or slow moving and which should be therefore be considered for provision.</p> <p>Estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value.</p> <p>Given the level of significant management judgments and estimates involved this is considered to be a key audit matter</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Challenging the management with regard to the calculation methodology, the basis for provision and the process with respect to inventory provision.</li> <li>• Testing the design, implementation and operating effectiveness of the key controls management has established for provision computations and to ensure the accuracy of the inventory provision.</li> <li>• Assessing the adequacy of, and movements in, inventory provisions held, by recalculating a sample of items included within the provision to ensure appropriate basis of valuation.</li> <li>• Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date.</li> <li>• Evaluating the appropriateness of the assumptions used based on our knowledge and information of the client and the industry.</li> </ul> |

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

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

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

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

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

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them

all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
15. Further to our Comments in Annexure A, as required by section 143(3) of the Act, We report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The standalone financial statements dealt with by this report are in agreement with the books of accounts
  - d. In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act
  - e. On the basis of the written representations received from the directors and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) the Company does not have any pending litigations which would impact financial position
- ii) the Company does not have any long-term contracts requiring a provision for material foreseeable losses.
- iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.
- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above , contain any material misstatement.

- v. The company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.



1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Ernakulam  
29/05/2024

Mathew Joseph B.com ,FCA,DISA(ICA)  
( Partner)  
Membership Number 022658  
UDIN: 24022658BKAJVW7853

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

The annexure referred to in Independent Auditors report to the members of The Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2024 ,We report that .

- i. (a) (A)The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of property, plant and equipment.

(B) The company is maintaining proper records showing full particulars of intangible assets.

(b) The company has a program of verification for property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) The company has not revalued its property, Plant and Equipment ( Including Right of Use assets ) or intangible assets or both during the year.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and rules made there under.

ii. (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets. The returns or statements filed by the company with SBM Bank (India ) Limited for the 4<sup>th</sup> quarter are not in agreement with the books of accounts of the company.

| particulars     | As per the statement submitted to bank( In Lakhs) | As per books (In Lakhs ) | Variance ( In Lakhs ) |
|-----------------|---|--------------------------|-----------------------|
| Inventory       | 827.73  | 988.72                   | 160.99                |
| Trade Creditors | -433.34   | -620.69                  | -                     |
|                 |   |                          | 187.35                |
| Sundry Debtors  | 1,680.92  | 1679.11                  | -1.81                 |
| Total           | 2,075.31  | 2,047.14                 | -28.17                |

iii. (a) According to the information and explanations given to us, the Company has granted unsecured loans to subsidiaries covered in the register maintained under Section 189 of the Act.

- (A) i) The aggregate amount of loan given to Subsidiaries during the year  
 ii) Balance outstanding at the balance sheet date with respect to loans given to Subsidiaries Rs 2,502.39 Lakhs (PY2,338.69 Lakhs)

(B ) The aggregate amount during the year , and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates : NIL

(b) According to the information and explanations given to us and based on the audit procedures performed by us , we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are, prima facie, not prejudicial to the company's interest.

(c) In respect of loans granted by the company, the schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and receipts of interest are generally been regular .

(d) There are no overdue amounts remaining outstanding as at the year -end.

(e) No loan or advance in the nature of loan granted which has fallen due during the year has been renewed or extended or fresh loans granted to settle the over dues of existing loans given.

(f) the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub-Section(1)of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) Undisputed statutory dues including GST, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other

material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, undisputed amounts of TDS payable outstanding at the year-end for a period of more than six months from the date they became payable is Rs. 34.08 Lakhs.

(b) According to the information and explanation given to us, there are no dues of Goods and Service tax, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues outstanding on account of any dispute.

viii. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

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

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

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

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture.

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

- x. (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
- (b) The company has made preferential allotment of shares during the year and requirements of section 42 and section 62 of the companies act 2013 have been complied with and funds raised have been used for the purposes for which funds were raised .
- xi. (a )To the best of our knowledge and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year by the Statutory Auditors and up to the date of this report.
- (c) There were no whistle blower complaints received by the Company during the year (and up to the date of this report). Hence reporting under clause xi (c) is not applicable.
- xii. The Company is not a Nidhi Company. Therefore the provisions of Paragraph 3 clause (xii) of the Order are not applicable to the Company.
- xiii. In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- xiv. (a) According to the information and explanations given to us and based on our examination of the records of the company, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, during the course of our audit, the reports of the Internal Auditors for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditor"
- xv. According to the information and explanations given to us and based on us examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him; Accordingly Paragraph 3 clause ( xv) of the order is not applicable.
- xvi. The company is not a Non Banking Financial company and therefore Paragraph 3 clause xvi (a to d ) are not applicable and hence not commented upon.

- xvii. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Hence the provisions stated in Paragraph 3 clause (xviii) of the order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, Paragraph 3 clause (xx) (a) to (b) of the Order are not applicable to the Company.

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

Ernakulam  
29/05/2024

Mathew Joseph Bcom ,FCA,DISA(ICA)  
(Partner)  
Membership Number 022658  
UDIN: 24022658BKAJVV7853

## Annexure B to the Independent Auditor's Report

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

In conjunction with our audit of the standalone financial statements of Kerala Ayurveda Limited ("the Company") as of and for the year ended 31 March, 2024, we have audited the internal financial controls over financial reporting of the Company as of that date.

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

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

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

A Company's Internal Financial Controls over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Controls over Financial Reporting include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting to future periods are subject to the risk that Internal Financial Controls over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Ernakulam  
29/05/2024

Mathew Joseph Bcom ,FCA,DISA(ICA)  
(Partner)  
Membership Number 022658  
UDIN: 24022658BKAJVW7853

| Balance Sheet as at 31.03.2024  |                                       |          |                                     |                                     |
|---|---------------------------------------|----------|-------------------------------------|-------------------------------------|
| Particulars   |                                       | Note No. | As at 31.03.2024<br>Amount in Lakhs | As at 31.03.2023<br>Amount in Lakhs |
| <b>A</b>  | <b>ASSETS</b>                         |          |                                     |                                     |
|   | <b>Non-Current assets</b>             |          |                                     |                                     |
|   | Fixed Assets                          |          |                                     |                                     |
|   | Gross Block                           |          | 4,430.31                            | 4,360.04                            |
|   | Less: Depreciation Reserve            |          | 1,405.00                            | 1,328.15                            |
|   | Property, Plant & Equipment           | 4        | 1,883.11                            | 1,880.85                            |
|   | Other Intangible Assets               |          | 1,142.19                            | 1,151.05                            |
|   | Financial Assets                      |          |                                     |                                     |
|   | Investments                           | 5        | 1,136.60                            | 1,136.60                            |
|   | Loans                                 | 6        | 2,502.39                            | 2,338.69                            |
|   | Other Financial assets                | 7        | 492.53                              | 456.54                              |
|   | Deffered Tax Asset                    |          | 19.17                               | 88.97                               |
|   | Income Tax assets(net)                | 8        | 233.88                              | 220.21                              |
|   | <b>Total Non current Assets</b>       |          | <b>7,409.87</b>                     | <b>7,272.91</b>                     |
|   | <b>Current Assets</b>                 |          |                                     |                                     |
|   | Inventories                           | 9        | 1,311.94                            | 967.55                              |
|   | Financial assets                      |          |                                     |                                     |
|   | Trade Receivables                     | 10       | 1,679.11                            | 1,207.35                            |
|   | Cash and Cash equivalents             | 11       | 1,647.81                            | 172.60                              |
|   | Other current assets                  | 12       | 356.73                              | 249.99                              |
|   | <b>Total Current Assets</b>           |          | <b>4,995.59</b>                     | <b>2,597.49</b>                     |
|   | <b>TOTAL ASSETS</b>                   |          | <b>12,405.46</b>                    | <b>9,870.40</b>                     |
| <b>B</b>  | <b>EQUITY AND LIABILITIES</b>         |          |                                     |                                     |
|   | <b>Equity</b>                         |          |                                     |                                     |
|   | Equity Share Capital                  | 13       | 1,203.25                            | 1,055.57                            |
|   | Other Equity                          | 14       | 3,034.44                            | 397.70                              |
|   | Share Application Money               |          |                                     |                                     |
|   | <b>Total Equity</b>                   |          | <b>4,237.69</b>                     | <b>1,453.27</b>                     |
|   | <b>Liabilities</b>                    |          |                                     |                                     |
|   | Non-Current Liabilities               |          |                                     |                                     |
|   | Financial Liabilities                 |          |                                     |                                     |
|   | Borrowings                            | 15       | 5,164.00                            | 4,892.02                            |
|   | Provisions                            | 16       | 469.29                              | 429.47                              |
|   | Other non current Liabilities         | 17       | 56.56                               | 34.50                               |
|   | <b>Total Non Current Liabilities</b>  |          | <b>5,689.85</b>                     | <b>5,355.99</b>                     |
|   | Current liabilities                   |          |                                     |                                     |
|   | Borrowings                            | 18       | 816.09                              | 1,405.78                            |
|   | Trade payables                        | 19       |                                     |                                     |
|   | Due to Micro and Small Enterprises    |          | 77.15                               | 14.33                               |
|   | Due to Others                         |          | 543.54                              | 583.85                              |
|   | Other current liabilities             | 20       | 963.35                              | 954.06                              |
|   | Provisions                            | 21       | 77.79                               | 103.12                              |
|   | <b>Total Current Liabilities</b>      |          | <b>2,477.92</b>                     | <b>3,061.14</b>                     |
|   | <b>TOTAL LIABILITIES</b>              |          | <b>8,167.77</b>                     | <b>8,417.13</b>                     |
|   | <b>TOTAL EQUITY &amp; LIABILITIES</b> |          | <b>12,405.46</b>                    | <b>9,870.40</b>                     |
| The accompanying notes form an integral part of these financial instruments in terms of our report attached |                                       |          |                                     |                                     |

For Maharaj Rajan & Mathew  
Chartered Accountants  
FRN:001932S

Sd/-  
Mathew Joseph , B Com, FCA  
Proprietor  
M NO 022658

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

Sd/-  
Ramesh Vangal  
Chairman  
DIN: 00064018

Place : Athani  
Date : 29th May 2024

Sd/-  
Jyothi Gulecha  
Company Secretary

Sd/-  
George KT  
CFO

| Profit and Loss statement for the period ended 31st Mar, 2024                           |          |   |                                    |
|---|----------|---|------------------------------------|
| Particulars   | Note No. | For the period ended 31st Mar 2024                                      | For the period ended 31st Mar 2023 |
|   |          | Amount in Lakhs   | Amount in Lakhs                    |
| <b>Income</b>   |          |   |                                    |
| (a) Revenue from operations   | 22       | 7,314.12  | 6,329.88                           |
| (b) Other income  | 23       | 16.42   | 6.02                               |
| <b>A Total revenue</b>  |          | <b>7,330.54</b>   | <b>6,335.90</b>                    |
| <b>Expenses</b>   |          |   |                                    |
| (a) Cost of Materials consumed  | 24       | 2,030.24  | 1,610.96                           |
| (b) Purchases of Medicines (Stock In Trade)   | 25       | 269.56  | 144.25                             |
| (c) Changes in Inventories of FG, WIP & Stock In Trade                                  | 26       | (331.86)  | 11.02                              |
| (d) Employee benefits expense   | 27       | 2,023.35  | 1,598.41                           |
| (e) Finance costs   | 28       | 382.69  | 444.13                             |
| (f) Depreciation  | 29       | 76.85   | 63.89                              |
| (g) Other expenses  | 30       | 2,837.03  | 2,509.42                           |
| <b>B Total Expenses</b>   |          | <b>7,287.86</b>   | <b>6,382.08</b>                    |
| C Profit Before Extraordinary items and Tax (A-B)                                       |          | 42.68   | (46.18)                            |
| D Add: Exceptional Items  |          | -   | -                                  |
| E Add: Prior Period Items   |          | -   | 283.48                             |
| <b>F Profit Before Tax (C+D+E)</b>  |          | <b>42.68</b>  | <b>237.30</b>                      |
| Tax expense:  |          |   |                                    |
| (a) Current Tax   |          | 6.27  | 39.52                              |
| (b) Deferred Tax  |          | 69.80   | (51.77)                            |
| (c) (Less): MAT Credit (where applicable)   |          | (6.27)  | (39.52)                            |
| <b>G Total</b>  |          | <b>69.80</b>  | <b>(51.77)</b>                     |
| <b>H Profit for the period (F-G)</b>  |          | <b>(27.12)</b>  | <b>289.07</b>                      |
| I Other comprehensive income  |          |   |                                    |
| Items that will not be reclassified to Profit or Loss                                   |          | (3.54)  | 36.66                              |
| <b>Total Comprehensive income for the Year (H+I)</b>                                    |          | <b>(30.66)</b>  | <b>325.73</b>                      |
| Earnings Per Equity Share   |          |   |                                    |
| Basic & diluted [Nominal value of shares Rs. 10/- each]                                 |          | (0.28)  | 3.09                               |
| Significant Accounting Policies   |          |   |                                    |
| See accompanying notes 1 to 37 forming part of the financial statements.                |          |   |                                    |
| In terms of our report attached.<br>For Maharaj Rajan & Mathew<br>Chartered Accountants |          | For and on behalf of the Board of Directors<br>KERALA AYURVEDA LIMITED, |                                    |
| Sd/-<br>Mathew Joseph , B Com, FCA<br>Proprietor<br>MEM NO 022658                       |          | Sd/-<br>Ramesh Vangal<br>Chairman<br>DIN: 00064018                      |                                    |
| Place : Athani<br>Date : 29th May 2024  |          | Sd/-<br>Jyothi Gulecha<br>Company Secretary                             | Sd/-<br>George KT<br>CFO           |

| Cash Flow Statement for the period ended 31st March , 2024   |   |                                       |
|--|---|---------------------------------------|
| Particulars  | For the Year Ended<br>31st March, 2024                                  | For the year Ended<br>31st March,2023 |
|  | Amount in Lakhs   | Amount in Lakhs                       |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |   |                                       |
| Net profit before Interest & Tax   | 425.37  | 681.43                                |
| <b>Adjustment to reconcile Profit Before Tax to Net Cash Flows</b>                                     |   |                                       |
| Interest Received  | (16.42)   | (6.02)                                |
| Finance Cost( Fair value change in Financial Instruments)  | (167.24)  | (125.99)                              |
| Finance Income ( Fair value change in Financial Instruments)   | 163.74  | 162.65                                |
| Depreciation and Amortisation  | 76.85   | 63.89                                 |
| Profit/Loss On Sale of fixed assets  | -   | 0.64                                  |
| <b>Operating profit before working capital changes</b>   | <b>482.30</b>   | <b>776.60</b>                         |
| <b>Adjustments for:</b>  |   |                                       |
| Trade receivables  | (471.76)  | (171.20)                              |
| Inventories  | (344.39)  | (29.41)                               |
| Other Current Assets   | (106.74)  | 101.49                                |
| Other Financial Assets   | (35.99)   | 99.49                                 |
| Income tax Assets  | (13.67)   | (42.40)                               |
| Trade Payables   | 22.51   | 87.47                                 |
| Current Financial liabilities- Provisions  | (25.33)   | 39.28                                 |
| Other Current Liabilities  | 9.29  | 39.95                                 |
| Non- Current Financial liabilities- Provisions   | 39.82   | (0.40)                                |
| Other non current liabilities  | 22.06   | 11.00                                 |
| Cash generated from operations   | (904.20)  | 135.27                                |
| <b>Net cash from operating activities</b> <b>A</b>   | <b>(421.90)</b>   | <b>911.87</b>                         |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |   |                                       |
| Purchase of Fixed assets   | (70.44)   | (93.43)                               |
| Disposal of Fixed Assets   | 0.16  | 1.10                                  |
| Loans to Subsidiaries  | (163.70)  | (446.13)                              |
| Interest Received  | 16.42   | 6.02                                  |
| <b>Net cash used in Investing activities</b> <b>B</b>  | <b>(217.56)</b>   | <b>(532.44)</b>                       |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |   |                                       |
| Proceeds of long term loan   | 271.98  | 1,166.76                              |
| Proceeds from issuance of share capital  | 2,815.01  | -                                     |
| Net Increase/(Decrease) in Working Capital Borrowings  | (589.69)  | (949.80)                              |
| Finance Cost   | (382.69)  | (444.13)                              |
| <b>Net cash from financing activities</b> <b>C</b>   | <b>2,114.61</b>   | <b>(227.17)</b>                       |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>                                  | <b>1,475.15</b>   | <b>152.26</b>                         |
| Cash & Cash Equivalents at Beginning of year   | 172.66  | 20.40                                 |
| Cash & Cash Equivalents at End of year   | 1,647.81  | 172.66                                |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>  | <b>1,475.15</b>   | <b>152.26</b>                         |
| In terms of our report attached.<br>For Maharaj Rajan & Mathew<br>Chartered Accountants<br>FRN:001932S | For and on behalf of the Board of Directors<br>KERALA AYURVEDA LIMITED, |                                       |
| Sd/-<br>Mathew Joseph , B Com, FCA<br>Partner<br>MEM NO 022658   | Sd/-<br>Ramesh Vangal<br>Chairman<br>DIN: 00064018                      |                                       |
| Place : Athani<br>Date: 29th May 2024  | Sd/-<br>Jyothi Gulecha<br>Company Secretary                             | Sd/-<br>George KT<br>CFO              |

## Notes to financial statements

### 1. General Information / Corporate Information

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

### 2. Significant Accounting Policies:

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

##### i. *Accounting Convention*

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

##### ii. *Historical Cost Convention*

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

##### iii. *Use of Estimates*

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

##### iv. *Fair Valuation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

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

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

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

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

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

- It is expected to be realised or intended to be sold or consumed in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- The Company classifies all other assets as noncurrent.

A liability is current when:

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

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

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

**c. Property, plant & Equipment**

***i. Property, plant and equipment***

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

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

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

***ii. Intangible Assets***

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

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

- Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure including regulatory cost and

legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets that are acquired (including implementation of software system) are measured initially at cost.
- After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

### **iii. Biological Assets**

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

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

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

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

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

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

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

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

### **v. Derecognition**

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

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

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

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. Impairment loss is reversed if there has been a change in the estimate

used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**e. Financial instrument**

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

**i. Financial Assets**

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition. After initial recognition all financial assets (other than investments in subsidiaries and joint ventures, other equity investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method. The Company has not designated any financial asset as Fair Value through Profit or Loss (FVTPL). A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets, (i.e. the shortfall between all contractual cash flows that are due and all the cash flows (discounted) that the entity expects to receive).

**Investments in Subsidiaries and Joint Ventures:**

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

**ii. Financial Liabilities**

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

**f. Inventories**

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

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

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

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of



finished products are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

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

**g. Trade Receivables**

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

**h. Provisions**

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

**i. Cash and cash equivalents**

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

**j. Income tax**

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

**i. Current Income Tax**

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

**ii. Deferred Tax**

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

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

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

**iii. Minimum Alternate Tax**

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

**k. Revenue recognition**

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

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

**Other Operating Revenue**

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

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

**l. Rent Deposit**

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

**m. Properties taken on lease**

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

**n. Capital Work in Progress**

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

**o. Other income**

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

**p. Employee benefits**

**i. Short-term benefits:**

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

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

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

**Gratuity**

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

**Provident fund**

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

The basis for determination of liability is as under:

Rs. In lacs

|   | Gratuity                     |                              |
|---|------------------------------|------------------------------|
|   | Current year                 | Previous year                |
| <b>Change in present value of obligation</b>                    |                              |                              |
| 1. Present value of the obligation at the beginning of the year | 498.48                       | 503.86                       |
| 2. Current service cost   | 32.72                        | 33.69                        |
| 3. Interest on defined benefit obligation                       | 34.56                        | 32.45                        |
| 4. Actuarial (gain)/loss  | 30.74                        | (51.09)                      |
| 5. Benefits paid  | -37.33                       | (20.43)                      |
| 6. Present value of obligation at the end of the year           | 559.17                       | 498.48                       |
| <b>Liability Recognized in the Financial statements</b>         |                              |                              |
| Long term   | 469.29                       | 429.47                       |
| Short term  | 89.88                        | 69.01                        |
| <b>Costs for the year</b>                                       |                              |                              |
| <b>Change in the present value of obligation</b>                |                              |                              |
| 1. Current Service Cost   | 32.71                        | 33.70                        |
| 2. Interest Cost  | 34.57                        | 32.45                        |
| 3. Actuarial (Gain)/Loss  | -                            | -                            |
| 4. Total Expenses   | 67.28                        | 66.15                        |
| <b>Main Actuarial Assumptions</b>                               |                              |                              |
| Discount Rate (p.a)   | 7.20%                        | 7.45%                        |
| Salary Escalation Rate (p.a)                                    | 8.00%                        | 8.00%                        |
| Method  | Projected Unit Credit Method | Projected Unit Credit Method |

**q. Finance Costs**

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

r. **Foreign Currency transactions**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date and recognised in profit or loss in the period in which they arise.

s. **Critical accounting judgments and key sources of estimation uncertainty**

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

**3. Fair Value Measurement**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**Financial instruments - Fair values and risk management**

**A. Accounting classification and fair values**

Rs in lacs

| 2024                                     | Carrying Amount |       |                |                | Fair Value     |                |         |
|--|-----------------|-------|----------------|----------------|----------------|----------------|---------|
|  | Amortised Cost  | FVTPL | FVTOCI         | Total          | Level 1        | Level 2        | Level 3 |
| <b>Non-Current Financial Assets</b>      |                 |       |                |                |                |                |         |
| <b>Investments</b>                       |                 |       |                |                |                |                |         |
| In Subsidiaries (Unquoted)               | 1133.68         | -     | -              | 1133.68        | -              | 1133.68        | -       |
| Non-Trade (Unquoted)                     | 2.63            | -     | -              | 2.63           | -              | 2.63           | -       |
| Non-Trade (Quoted)                       | 0.28            | -     | -              | 0.28           | -              | 0.28           | -       |
| <b>Loans</b>                             | -               | -     | 2502.39        | 2502.39        | -              | 2502.39        | -       |
| <b>Other Financial Assets</b>            | 492.52          | -     | -              | 492.52         | 492.52         | -              | -       |
| <b>Current Financial Asset</b>           |                 |       |                |                |                |                |         |
| Trade Receivable                         | 1679.11         | -     | -              | 1679.11        | 1679.11        | -              | -       |
| Cash and Cash Equivalent                 | 1647.81         | -     | -              | 1647.81        | 1647.81        | -              | -       |
|  | <b>4956.03</b>  | -     | <b>2502.39</b> | <b>7458.42</b> | <b>3819.44</b> | <b>3638.98</b> | -       |
| <b>Non-Current Financial Liabilities</b> |                 |       |                |                |                |                |         |
| <b>Borrowings</b>                        | -               | -     | 5164.00        | 5164.00        | -              | 5164.00        | -       |
| <b>Current Financial Liabilities</b>     |                 |       |                |                |                |                |         |
| Borrowings                               | 816.09          | -     | -              | 816.09         | 816.09         | -              | -       |
| Trade Payables                           | 620.69          | -     | -              | 620.69         | 620.69         | -              | -       |
|  | <b>1436.78</b>  | -     | <b>5164.00</b> | <b>6600.78</b> | <b>1436.78</b> | <b>5164.00</b> | -       |

| 2023                                     | Carrying Amount |          |                |                | Fair Value     |                |          |
|--|-----------------|----------|----------------|----------------|----------------|----------------|----------|
|  | Amortised Cost  | FVTPL    | FVTOCI         | Total          | Level 1        | Level 2        | Level 3  |
| <b>Non-Current Financial Assets</b>      |                 |          |                |                |                |                |          |
| Investments                              |                 |          |                |                |                |                |          |
| In Subsidiaries (Unquoted)               | 1133.68         | -        | -              | 1133.68        | -              | 1133.68        | -        |
| Non-Trade (Unquoted)                     | 2.63            | -        | -              | 2.63           | -              | 2.63           | -        |
| Non-Trade (Quoted)                       | 0.28            | -        | -              | 0.28           | -              | 0.28           | -        |
| Loans                                    | -               | -        | 2338.69        | 2338.69        | -              | 2338.69        | -        |
| Other Financial Assets                   | 456.54          | -        | -              | 456.54         | 456.54         | -              | -        |
| <b>Current Financial Asset</b>           |                 |          |                |                |                |                |          |
| Trade Receivable                         | 1207.35         | -        | -              | 1207.35        | 1207.35        | -              | -        |
| Cash and Cash Equivalent                 | 172.66          | -        | -              | 172.66         | 172.66         | -              | -        |
|  | <b>2973.14</b>  | <b>-</b> | <b>2338.69</b> | <b>5311.83</b> | <b>1836.55</b> | <b>3475.28</b> | <b>-</b> |
| <b>Non-Current Financial Liabilities</b> |                 |          |                |                |                |                |          |
| Borrowings                               | -               | -        | 4892.02        | 4892.02        | -              | 4892.02        | -        |
|  |                 |          |                |                |                |                |          |
| <b>Current Financial Liabilities</b>     |                 |          |                |                |                |                |          |
| Borrowings                               | 1405.78         | -        | -              | 1405.78        | 1405.78        | -              | -        |
| Trade Payables                           | 598.18          | -        | -              | 598.18         | 598.18         | -              | -        |
|  | <b>2003.96</b>  | <b>-</b> | <b>4892.02</b> | <b>6895.98</b> | <b>2003.96</b> | <b>4892.02</b> | <b>-</b> |

#### B. Measurement of fair values

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

#### C. Financial risk management

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

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

##### i. Risk management framework

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

##### ii. Credit risk

Credit risk is the risk that counter-party will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and financing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and

non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the company is certain about the non-recovery.

**iii. Liquidity Risk**

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

Kerala Ayurveda Limited  
Note 4: Property, Plant and Equipment

| Particulars                          | TANGIBLE ASSETS |          |                   |                     |                      |                   |                        |          |                   |          | Amount in Lakhs      |                         |
|--------------------------------------|-----------------|----------|-------------------|---------------------|----------------------|-------------------|------------------------|----------|-------------------|----------|----------------------|-------------------------|
|                                      | Land            | Building | Plant & Machinery | Electrical fittings | Furniture & Fixtures | Office equipments | Computer & Accessories | Vehicles | Misc fixed assets | Total    | Software expenditure | Project Patent expenses |
| <b>At Cost</b>                       |                 |          |                   |                     |                      |                   |                        |          |                   |          |                      |                         |
| Gross Block as at 31st March 2023    | 1,118.02        | 814.48   | 515.80            | 66.28               | 322.41               | 129.37            | 117.26                 | 33.74    | 24.94             | 3,142.30 | 94.85                | 1,122.89                |
| Other acquisition                    | -               | 10.36    | 7.84              | 2.69                | 17.83                | 3.59              | 16.26                  | 11.86    | -                 | 70.43    | -                    | -                       |
| Disposal                             | -               | -        | 0.16              | -                   | -                    | -                 | -                      | -        | -                 | 0.16     | -                    | -                       |
| Gross Block as at 31st March 2024    | 1,118.02        | 824.84   | 523.48            | 68.97               | 340.24               | 132.96            | 133.52                 | 45.60    | 24.94             | 3,212.57 | 94.85                | 1,122.89                |
| <b>Depreciation &amp; Impairment</b> |                 |          |                   |                     |                      |                   |                        |          |                   |          |                      |                         |
| Balance as at 31st March 2023        | -               | 302.67   | 378.15            | 53.15               | 290.00               | 117.47            | 89.93                  | 28.65    | 1.44              | 1,261.45 | 66.69                | -                       |
| Depreciation charge for the year     | -               | 24.69    | 19.19             | 2.64                | 7.73                 | 2.93              | 8.76                   | 2.06     | -                 | 67.99    | 8.86                 | -                       |
| Disposal                             | -               | -        | -                 | -                   | -                    | -                 | -                      | -        | -                 | -        | -                    | -                       |
| Balance as at 31st March 2024        | -               | 327.36   | 397.34            | 55.79               | 297.73               | 120.40            | 98.69                  | 30.71    | 1.44              | 1,329.45 | 75.55                | -                       |
| <b>Carrying Value</b>                |                 |          |                   |                     |                      |                   |                        |          |                   |          |                      |                         |
| As at 31st March 2023                | 1,118.02        | 511.81   | 137.65            | 13.13               | 32.41                | 11.90             | 27.33                  | 5.09     | 23.50             | 1,880.85 | 28.16                | 1,122.89                |
| As at 31st March 2024                | 1,118.02        | 497.48   | 126.14            | 13.18               | 42.51                | 12.56             | 34.83                  | 14.89    | 23.50             | 1,883.11 | 19.30                | 1,122.89                |

Board Meeting held on 31<sup>st</sup> August 2023 passed a resolution to partially repay the loan outstanding of Rs. 19,24,96,646.22/- from Katra Phytochem (India) Private Limited by selling Land owned by the Company/located at Sy. No. 7/2, Naganayakanakote, Anugondanahalli Hobli, Hoskote Taluk, Bangalore District for a total sale Consideration of ₹ 8,14,00,000/-. The same item was passed unanimously by the shareholders at their meeting held on 27<sup>th</sup> September, 2023. The sale agreement executed between Kerala Ayurveda Ltd and Ayurvedagram is valid for 6 months from 1st March, 2024.

| <b>Kerala Ayurveda Limited</b>  |   |                              |                              |
|---|---|------------------------------|------------------------------|
| <b>Notes forming part of the financial statements for the year ended 31.03.2024</b> |   |                              |                              |
| <b>Note No</b>  | <b>Particulars</b>  | <b>As at 31st March 2024</b> | <b>As at 31st March 2023</b> |
|   |   | <b>Amount in Lakhs</b>       | <b>Amount in Lakhs</b>       |
| 5   | <b>Non Current Investments</b>  |                              |                              |
|   | In Subsidiary Companies (Unquoted, At cost)   |                              |                              |
|   | 16,65,000 equity shares of Rs 10 each in Ayurvedagram Heritage Wellness Centre Private Ltd  | 642.87                       | 642.87                       |
|   | 100 Common stock of no par value in Suveda Inc.(formerly known as Nutraveda Inc)  | 0.06                         | 0.06                         |
|   | 100 Common stock of no par value in Ayu Natural Medicines Clinic PS, USA  | 215.16                       | 215.16                       |
|   | 100 Common stock of no par value in Ayurvedic Academy Inc, USA  | 272.43                       | 272.43                       |
|   | 817 Common stock of no par value in CMS Katra Holdings LLC, USA   | 0.35                         | 0.35                         |
|   | 6201 Shares of face value 1 Sing \$ in Nutravada Pte Limited, Singapore   | 2.82                         | 2.82                         |
|   | Non Trade (Quoted, At cost)   |                              |                              |
|   | 500 equity shares of Rs 10 each fully paid up in Canara Bank Limited (Quoted) Market Value Rs 116.21 last Year Rs 56.89 per share | 0.28                         | 0.28                         |
|   | Non Trade (Unquoted, At cost)   |                              |                              |
|   | 14 Equity Shares of Rs.10000/- each in Confederation for Ayurvedic Renaissance Keralam Private Limited                            | 2.63                         | 2.63                         |
|   | <b>Total</b>  | <b>1,136.60</b>              | <b>1,136.60</b>              |
| 6   | <b>Financial assets-Loans</b>   |                              |                              |
|   | Loans to Subsidiaries   |                              |                              |
|   | Ayurvedic Academy Inc -WC Loan  | 626.33                       | 585.36                       |
|   | CMS Katra Holding LLC   | 774.46                       | 723.80                       |
|   | Nutraveda PTE LTD   | 0.41                         | 0.38                         |
|   | Suveda Inc-WC Loan  | 1,101.19                     | 1,029.15                     |
|   | <b>Total</b>  | <b>2,502.39</b>              | <b>2,338.69</b>              |
| 7   | <b>Financial assets-Other financial assets</b>  |                              |                              |
|   | Deposits with Govt. Authorities   |                              |                              |
|   | Electricity Deposit   | 12.82                        | 12.59                        |
|   | Sales Tax Deposit   | 0.47                         | 0.47                         |
|   | <b>Total</b>  | <b>13.29</b>                 | <b>13.06</b>                 |
|   | Deposits with others  |                              |                              |
|   | Security Depsoit  | 2.96                         | 2.96                         |
|   | Gas Deposit   | 1.00                         | 0.98                         |
|   | Other Deposit   | 1.80                         | 1.30                         |
|   | Rent Deposit -Building  | 142.81                       | 133.21                       |
|   | Telephone Deposit   | 1.09                         | 1.09                         |
|   | <b>Total</b>  | <b>149.66</b>                | <b>139.54</b>                |
|   | Bank Deposits with Original maturity more than 12 Months  | 16.75                        | 17.23                        |
|   | Deferred Product Development Exp  | 226.35                       | 286.71                       |
|   | Deferred Expenditure- New Project   | 86.48                        | -                            |
|   | <b>Total</b>  | <b>492.53</b>                | <b>456.54</b>                |
| 8   | <b>Income Tax assets(net)</b>   |                              |                              |
|   | Income Tax advance  | 52.95                        | 45.55                        |
|   | MAT credit entitlement a/c  | 180.93                       | 174.66                       |
|   | <b>Total</b>  | <b>233.88</b>                | <b>220.21</b>                |
| 9   | <b>Inventories</b>  |                              |                              |
|   | Finished Goods  | 528.97                       | 236.54                       |
|   | Goods in transit  | 4.01                         | 12.66                        |
|   | Furnace Oil   | 0.91                         | 4.74                         |
|   | Packing Material  | 83.71                        | 119.11                       |
|   | Raw Material  | 117.43                       | 65.37                        |
|   | Stores & Spares   | 2.07                         | 2.38                         |
|   | Work in Progress  | 251.62                       | 203.53                       |
|   | WIP Nurse Training Deferred   | 323.22                       | 323.22                       |
|   | <b>Total</b>  | <b>1,311.94</b>              | <b>967.55</b>                |



| Kerala Ayurveda Limited  |   |                       |                       |
|--|---|-----------------------|-----------------------|
| Notes forming part of the financial statements for the year ended 31.03.2024 |   |                       |                       |
| Note No  | Particulars   | As at 31st March 2024 | As at 31st March 2023 |
|  |   | Amount in Lakhs       | Amount in Lakhs       |
| 10   | <b>Financial assets- Trade receivables</b>              |                       |                       |
|  | Unsecured, considered good                              | 1,679.11              | 1,207.35              |
|  | Less, Allowance for Doubtful debts                      |                       |                       |
|  | <b>Total</b>  | <b>1,679.11</b>       | <b>1,207.35</b>       |
| 11   | <b>Cash and cash equivalents</b>                        |                       |                       |
|  | Cash on hand  | 5.62                  | 3.51                  |
|  | Cheques, drafts on hand                                 | 17.49                 | 5.49                  |
|  | Balances with banks                                     |                       |                       |
|  | Deposits with maturity less than 3 months               | 1,400.00              | -                     |
|  | SBM Bank  | 165.66                | -                     |
|  | Kotak Mahindra Bank-Bangalore                           | -                     | 0.55                  |
|  | Kotak Mahindra Bank-Ernakulam                           | 5.85                  | 117.49                |
|  | State Bank of India,Athani                              | 47.56                 | 42.46                 |
|  | Balances with Banks-UPI Apps                            | 5.63                  | 3.10                  |
|  | <b>Total</b>  | <b>1,647.81</b>       | <b>172.60</b>         |
| 12   | <b>Other Current Assets</b>                             |                       |                       |
|  | Advance for Purchase                                    | 96.12                 | 43.04                 |
|  | Advance to employees                                    | 16.03                 | 9.49                  |
|  | Other Advances  |                       |                       |
|  | Festival Advance/Flood Relief /salary Advance           | 1.03                  | 0.06                  |
|  | KAL Ayurveda Research Foundation                        | 2.44                  | 1.67                  |
|  | KAL Group Gratuity Fund Trust/Pension & Gratuity Scheme | 10.91                 | 0.91                  |
|  | Family Floater Policy (Employee)                        | 3.64                  | 2.72                  |
|  | Interest Receivable                                     | 13.21                 | -                     |
|  | SD Pharmacy   |                       |                       |
|  | Advance   | 20.94                 | 49.28                 |
|  | Capital Advance   | -                     | 40.14                 |
|  | Deposit   | 25.00                 | 25.00                 |
|  | Interest Receivable                                     | 42.07                 | 42.07                 |
|  | TDS Claimable(Amazon, Pickrr and Kotak)                 | 4.30                  | 1.50                  |
|  | GST-Input   | 35.01                 | 9.91                  |
|  | ECL Finance Limited                                     | 58.77                 | -                     |
|  | Forex Cash  | 1.44                  | 1.26                  |
|  | Prepaid expense   | 25.82                 | 22.94                 |
|  | <b>Total</b>  | <b>356.73</b>         | <b>249.99</b>         |

| Kerala Ayurveda Limited  |  |   |  |                              |  |
|--|--|---|--|------------------------------|--|
| Notes forming part of the financial statements for the year ended 31.03.2024   |  |   |  |                              |  |
| Note No  | Particulars                                      | As at 31st March,2024                         |  | As at 31st March,2023        |  |
|  |  | Number of shares                              | Amount in Lakhs                          | Number of shares             | Amount in Lakhs                          |
| 13   | Share capital                                    |   |  |                              |  |
|  | (a) Authorised Capital                           |   |  |                              |  |
|  | Equity shares of Rs 10/- each with voting rights | 1,50,00,000                                   | 1,500.00                                 | 1,20,00,000                  | 1,200.00                                 |
|  | (b) Issued Capital                               |   |  |                              |  |
|  | Equity shares of Rs 10/- each with voting rights | 1,20,32,451                                   | 1,203.25                                 | 1,05,55,670                  | 1,055.57                                 |
|  | (c) Subscribed and fully paid up                 |   |  |                              |  |
|  | Equity shares of Rs 10/- each with voting rights | 1,20,32,451                                   | 1,203.25                                 | 1,05,55,670                  | 1,055.57                                 |
|  | <b>Total</b>                                     | <b>1,20,32,451</b>                            | <b>1,203.25</b>                          | <b>1,05,55,670</b>           | <b>1,055.57</b>                          |
| Notes:   |  |   |  |                              |  |
| <b>(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>  |  |   |  |                              |  |
|  | <b>Particulars</b>                               | <b>Opening Balance</b>                        | <b>Fresh issue</b>                       | <b>Buy back</b>              | <b>Closing Balance</b>                   |
|  | Equity shares with voting rights                 |   |  |                              |  |
|  | Year ended 31 March, 2024                        |   |  |                              |  |
|  | - Number of shares                               | 1,05,55,670                                   | 14,76,781                                | -                            | 1,20,32,451                              |
|  | - Amount (In Lakhs.)                             | 1,055.57                                      | 147.68                                   | -                            | 1,203.25                                 |
|  | Year ended 31 March, 2023                        |   |  |                              |  |
|  | - Number of shares                               | 1,05,55,670                                   | -  | -                            | 1,05,55,670                              |
|  | - Amount (In Lakhs.)                             | 1,055.57                                      | -  | -                            | 1,055.57                                 |
| <b>(ii) Rights, Preferences and restrictions attached to Equity Shares:</b>  |  |   |  |                              |  |
| 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. |  |   |  |                              |  |
| <b>(iii) Details of shares held by each shareholder holding more than 5% shares:</b>   |  |   |  |                              |  |
|  |  | As at 31st March,2024                         |  | As at 31st March,2023        |  |
|  | <b>Class of shares / Name of shareholder</b>     | <b>Number of shares held</b>                  | <b>% holding in that class of shares</b> | <b>Number of shares held</b> | <b>% holding in that class of shares</b> |
|  | Equity shares with voting rights                 |   |  |                              |  |
|  | Katra Holdings Ltd                               | 64,93,435                                     | 53.97%                                   | 64,93,435                    | 61.52%                                   |
|  | PORINJU VELIYATH                                 | 6,23,000                                      | 5.18%                                    | -                            | 0.00%                                    |
| <b>(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:</b>  |  |   |  |                              |  |
|  |  | Equity shares with voting rights-No of Shares |  |                              |  |
|  | <b>Particulars</b>                               | <b>Opening Balance</b>                        | <b>Fresh issue</b>                       | <b>Buy back</b>              | <b>Closing Balance</b>                   |
|  | As at 31 March, 2024                             |   |  |                              |  |
|  | M/s Katra Holdings Ltd, the holding company      | 64,93,435                                     | -  | -                            | 64,93,435                                |
|  | As at 31 March, 2023                             |   |  |                              |  |
|  | M/s Katra Holdings Ltd, the holding company      | 64,93,435                                     | -  | -                            | 64,93,435                                |

| <b>Kerala Ayurveda Limited</b>  |  |                              |                              |
|---|--|------------------------------|------------------------------|
| <b>Notes forming part of the financial statements for the year ended 31.03.2024</b> |  |                              |                              |
| <b>Note No</b>  | <b>Particulars</b>   | <b>As at 31st March 2024</b> | <b>As at 31st March 2023</b> |
|   |  | <b>Amount in Lakhs</b>       | <b>Amount in Lakhs</b>       |
| 14  | <b><u>Other Equity</u></b>   |                              |                              |
|   | Capital Reserve  | 45.42                        | 45.42                        |
|   | Share Premium  | 3,812.48                     | 1,145.15                     |
|   | General reserve  | 17.98                        | 17.98                        |
|   | Surplus / (Deficit) in Statement of Profit and Loss  |                              |                              |
|   | At the commencement of the year  | (810.85)                     | (1,136.58)                   |
|   | Add: Profit for the year   | (30.59)                      | 325.73                       |
|   | Net Surplus / (Deficit) in the Statement of Profit and Loss  | (841.44)                     | (810.85)                     |
|   | <b>Total</b>   | <b>3,034.44</b>              | <b>397.70</b>                |
| 15  | <b><u>Financcil Liabilities- borrowings (Non Current)</u></b>  |                              |                              |
|   | Term loans   |                              |                              |
|   | SBM Bank (India) Limited   | 800.00                       | 848.99                       |
|   | <i>(Credit Facilities from SBM Bank India Ltd are secured Against exclusive charge on entire current assets of the Company both present and future, Collateral in the form of equitable mortgage of property belonging to Ayurvedagram Heritage Wellness and mortgage of land belonging to Chaiman situated at Bangalore along with personal guarantee of Chaiman)</i> |                              |                              |
|   | Samunnati Financial Intermediation & Services Pvt Ltd  | -                            | 24.97                        |
|   | Katra Phytochem India Private Ltd  | 1,325.24                     | 1,191.36                     |
|   | Katra Holding Private Ltd  | 3,038.76                     | 2,826.70                     |
|   | <b>Total</b>   | <b>5,164.00</b>              | <b>4,892.02</b>              |
| 16  | <b><u>Financial Liabilities-Provisions (Non Current)</u></b>   |                              |                              |
|   | Provision for Gratuity   | 469.29                       | 429.47                       |
|   | <b>Total</b>   | <b>469.29</b>                | <b>429.47</b>                |
| 17  | <b><u>Other Long-Term Liabilities</u></b>  |                              |                              |
|   | C&A Deposit  | 13.00                        | 13.00                        |
|   | Deposits from Others   | 43.56                        | 21.50                        |
|   | <b>Total</b>   | <b>56.56</b>                 | <b>34.50</b>                 |
| 18  | <b><u>Financial Liabilities -Borrowings(Current)</u></b>   |                              |                              |
|   | Secured loan repayable on demand   |                              |                              |
|   | SBM Bank   | 809.56                       | 422.62                       |
|   | <i>(Credit Facilities from SBM Bank India Ltd are secured Against exclusive charge on entire current assets of the Company both present and future, Collateral in the form of equitable mortgage of property belonging to Ayurvedagram Heritage Wellness and mortgage of land belonging to Chaiman situated at Bangalore along with personal guarantee of Chaiman)</i> |                              |                              |
|   | Unsecured loan   |                              |                              |
|   | ECL Finance Limited  | -                            | 983.16                       |
|   | NN FINCORP   | 6.53                         | -                            |
|   | <b>Total</b>   | <b>816.09</b>                | <b>1,405.78</b>              |
| 19  | <b><u>Trade Payables</u></b>   |                              |                              |
|   | Sundry Creditors- MSME   | 77.15                        | 14.33                        |
|   | Sundry Creditors-RM and PM   | 356.72                       | 409.59                       |
|   | Sundry Creditors- Others   | 186.82                       | 174.26                       |
|   | <b>Total</b>   | <b>620.69</b>                | <b>598.18</b>                |

| Kerala Ayurveda Limited  |   |                       |                       |
|--|---|-----------------------|-----------------------|
| Notes forming part of the financial statements for the year ended 31.03.2024 |   |                       |                       |
| Note No  | Particulars   | As at 31st March 2024 | As at 31st March 2023 |
|  |   | Amount in Lakhs       | Amount in Lakhs       |
| 20   | <b>Other current liabilities</b>                      |                       |                       |
|  | Advances from Customers                               | 364.04                | 430.50                |
|  | Current Maturities of Long Term Loans                 | 200.51                | 65.32                 |
|  | <b>Statutory Liabilities</b>                          |                       |                       |
|  | GST Payable   | 10.37                 | 10.62                 |
|  | TDS Payable   | 66.98                 | 112.61                |
|  | ESI Payable   | 1.04                  | 1.07                  |
|  | Labour Welfare Fund Payable                           | 0.10                  | 0.07                  |
|  | LIC /PLI Payable                                      | 0.86                  | 0.89                  |
|  | Professional Tax Payable                              | 0.17                  | 0.13                  |
|  | Provident Fund Payable                                | 20.36                 | 15.75                 |
|  | <b>Accrued Employee Liabilities</b>                   |                       |                       |
|  | T A Payable   | 22.10                 | 16.11                 |
|  | Salary Payable  | 107.32                | 121.91                |
|  | Rent Payable  | 18.50                 | 14.78                 |
|  | <b>Other Current Liabilities</b>                      |                       |                       |
|  | Electricity Charges Payable                           | 2.21                  | 2.02                  |
|  | KAPL Co-Operative Society                             | 4.73                  | 5.39                  |
|  | Carriage Outwards Payable                             | 6.39                  | 7.09                  |
|  | Recreation Club                                       | 0.09                  | 0.11                  |
|  | Ref Commission Payable                                | 3.06                  | 2.09                  |
|  | Salaries & Wages advance                              | -                     | 0.17                  |
|  | Biju George & Co. (Chartered Accountant)              | 0.45                  | 0.45                  |
|  | Shiva Sales Exp Payable                               | 2.87                  | 3.68                  |
|  | Showraa Agencies(Exp)                                 | 2.65                  | 3.56                  |
|  | KAL Corporate CC                                      | 4.54                  | 3.22                  |
|  | Expense Payable/C&F /D KALP/Agents Commission payable | 16.33                 | 33.49                 |
|  | Provision for gratuity                                | 89.88                 | 69.01                 |
|  | Payable to employees                                  | 17.80                 | 34.02                 |
|  | <b>Total</b>  | <b>963.35</b>         | <b>954.06</b>         |
| 21   | <b>Provision (Others)</b>                             |                       |                       |
|  | Bonus Payable   | 54.88                 | 53.17                 |
|  | Privilage Leave Encashment Payable                    | 16.64                 | 10.43                 |
|  | Provision for MAT                                     | 6.27                  | 39.52                 |
|  | <b>Total</b>  | <b>77.79</b>          | <b>103.12</b>         |

| <b>Kerala Ayurveda Limited</b>  |   |                             |                             |
|---|---|-----------------------------|-----------------------------|
| <b>Notes forming part of the financial statements for the period ended 31.03.2024</b> |   |                             |                             |
| <b>Note No</b>  | <b>Particulars</b>                      | <b>For the period ended</b> | <b>For the period ended</b> |
|   |   | <b>31st Mar'24</b>          | <b>31st March'23</b>        |
|   |   | <b>Amount in Lakhs</b>      | <b>Amount in Lakhs</b>      |
| <b>22</b>   | <b>Revenue from Operations</b>          |                             |                             |
|   | (a) Sale of products                    | 6,125.48                    | 5,311.74                    |
|   | (b) Sale of services                    | 1,188.64                    | 1,018.15                    |
|   | <b>Total</b>                            | <b>7,314.12</b>             | <b>6,329.89</b>             |
|   | <b>(a) Sale of products comprises:</b>  |                             |                             |
|   | Sales Product-CRD                       | 2,838.17                    | 2,670.20                    |
|   | Sales Product-PRD                       | 2,846.99                    | 2,347.19                    |
|   | Sales-CRD -Export                       | 100.58                      | 73.13                       |
|   | Sales-PRD -Export                       | 26.93                       | 10.83                       |
|   | Sales-Export -Others                    | -                           | 5.17                        |
|   | Sales-Others                            | 109.15                      | 75.67                       |
|   | Sales-RM/PM                             | 203.66                      | 129.54                      |
|   | <b>Total</b>                            | <b>6,125.48</b>             | <b>5,311.73</b>             |
|   | <b>(b) Sale of services comprises:</b>  |                             |                             |
|   | Health Services (i)                     |                             |                             |
|   | Treatment Income-Clinics & Branches(OP) | 616.62                      | 487.58                      |
|   | Treatment Income-IP-Hospitals           | 215.48                      | 188.24                      |
|   | Room Rent Received-Hospitals            | 142.60                      | 124.53                      |
|   | Registration Fee Received- Branches     | 58.56                       | 55.14                       |
|   | Diet Food Income                        | 48.11                       | 42.45                       |
|   | Sale of Treatment Voucher               | -                           | 36.00                       |
|   | Laboratory Charges                      | 5.17                        | 5.41                        |
|   | Nursing Fee                             | 16.23                       | 18.23                       |
|   | <b>Total</b>                            | <b>1,102.77</b>             | <b>957.58</b>               |
|   | Other Services (ii)                     |                             |                             |
|   | Training Income                         | 44.33                       | 23.92                       |
|   | Scrap Sales-HO                          | 2.86                        | 3.39                        |
|   | Royalty                                 | 5.59                        | 0.01                        |
|   | Laundry Charges                         | 0.59                        | 0.64                        |
|   | Scrap Sales-Branches                    | 0.09                        | 0.14                        |
|   | Income From Cultivation                 | 6.26                        | 3.82                        |
|   | Dividend Received                       | 0.07                        | 0.04                        |
|   | Franchisee Fee                          | 9.00                        | 11.50                       |
|   | Other Income/Misc income Branches&HO    | 0.80                        | 0.39                        |
|   | Other Recoveries -Branches              | 0.01                        | 0.44                        |
|   | Transportation Charges                  | 4.52                        | 2.69                        |
|   | Shipping charge                         | 8.76                        | 12.21                       |
|   | Credits Written Back                    | 2.89                        | -                           |
|   | Exchange rate difference                | 0.10                        | 1.37                        |
|   | <b>Total</b>                            | <b>85.87</b>                | <b>60.56</b>                |
|   | <b>Total Sale of Services</b>           | <b>1,188.64</b>             | <b>1,018.14</b>             |

| Kerala Ayurveda Limited  |   |                                  |                                    |
|--|---|----------------------------------|------------------------------------|
| Notes forming part of the financial statements for the period ended 31.03.2024 |   |                                  |                                    |
| Note No  | Particulars   | For the period ended 31st Mar'24 | For the period ended 31st March'23 |
|  |   | Amount in Lakhs                  | Amount in Lakhs                    |
| 23   | <b>Other Income</b>   |                                  |                                    |
|  | Interest Received   | 16.42                            | 6.02                               |
|  | Profit on sale of asset   |                                  |                                    |
|  | <b>Total</b>  | <b>16.42</b>                     | <b>6.02</b>                        |
| 24   | <b>Cost of materials consumed</b>                                       |                                  |                                    |
|  | <b>Raw Material</b>   |                                  |                                    |
|  | Opening stock   | 65.37                            | 56.17                              |
|  | Add: Purchases  | 1,677.33                         | 1,278.46                           |
|  | Less: Closing stock   | 117.43                           | 65.37                              |
|  | <b>(A)</b>  | <b>1,625.27</b>                  | <b>1,269.26</b>                    |
|  | <b>Packing Material</b>   |                                  |                                    |
|  | Opening Stock   | 119.11                           | 89.60                              |
|  | Add: Purchase   | 369.57                           | 371.20                             |
|  | Less: Closing Stock   | 83.71                            | 119.11                             |
|  | <b>(B)</b>  | <b>404.97</b>                    | <b>341.69</b>                      |
|  | <b>Cost of material consumed (A+B)</b>                                  | <b>2,030.24</b>                  | <b>1,610.95</b>                    |
| 25   | <b>Purchase of Stock In Trade</b>                                       |                                  |                                    |
|  | Purchase of Medicines   | 269.56                           | 144.25                             |
|  | <b>Total</b>  | <b>269.56</b>                    | <b>144.25</b>                      |
| 26   | <b>Changes in inventories of stock of F G, WIP &amp; Stock in trade</b> |                                  |                                    |
|  | <b>Inventories at the end of the year:</b>                              |                                  |                                    |
|  | Finished Goods  | 532.97                           | 249.20                             |
|  | Work In Progress  | 251.62                           | 203.53                             |
|  | <b>Total</b>  | <b>784.59</b>                    | <b>452.73</b>                      |
|  | <b>Inventories at the beginning of the year:</b>                        |                                  |                                    |
|  | Finished Goods  | 249.20                           | 290.59                             |
|  | Work In Progress  | 203.53                           | 173.16                             |
|  | <b>Total</b>  | <b>452.73</b>                    | <b>463.75</b>                      |
|  | <b>Net (increase) / decrease</b>  | <b>(331.86)</b>                  | <b>11.02</b>                       |

| <b>Kerala Ayurveda Limited</b>  |  |                                |                             |                 |
|---|--|--------------------------------|-----------------------------|-----------------|
| <b>Notes forming part of the financial statements for the period ended 31.03.2024</b> |  |                                |                             |                 |
| <b>Note No</b>  | <b>Particulars</b>                     | <b>For the period ended</b>    | <b>For the period ended</b> |                 |
|   |  | <b>31st Mar'24</b>             | <b>31st March'23</b>        |                 |
|   |  | <b>Amount in Lakhs</b>         | <b>Amount in Lakhs</b>      |                 |
| 27  | <b>Employee benefits expense</b>       |                                |                             |                 |
|   | Salaries and wages                     |                                |                             |                 |
|   | Production                             |                                |                             |                 |
|   | Wages & Salaries                       | 297.79                         | 252.26                      |                 |
|   | Bonus                                  | 29.91                          | 30.23                       |                 |
|   | Gratuity                               | 43.73                          | 8.09                        |                 |
|   | Salaries-Logistics                     | 15.56                          | 22.04                       |                 |
|   | Salary Others-R&D                      | 36.96                          | 28.36                       |                 |
|   | Salary MSR/BDE                         | 321.72                         | 272.13                      |                 |
|   | Salary RSM                             | 49.32                          | 43.67                       |                 |
|   | Salary-Doctor                          | 113.93                         | 93.07                       |                 |
|   | Salary-Therapist                       | 139.80                         | 132.11                      |                 |
|   | Salary-Support staff                   | 295.64                         | 259.64                      |                 |
|   | Salaries-Corporate                     | 268.90                         | 163.37                      |                 |
|   | Bonus Others                           | 23.42                          | 23.84                       |                 |
|   | Gratuity Others                        | 23.55                          | 4.36                        |                 |
|   | Performance Incentive/Ex-gratia        | 0.22                           | -                           |                 |
|   | Leave Travel Allowance                 | 3.52                           | 2.42                        |                 |
|   | PL Encashment                          | 19.66                          | 12.34                       |                 |
|   |  | <b>Total</b>                   | <b>1,683.63</b>             | <b>1,347.93</b> |
|   |  | <b>Employer Contribution</b>   |                             |                 |
|   |  | EDLI & Other Fund Contribution | 2.64                        | 2.54            |
|   |  | ESI Companies Contribution     | 9.87                        | 10.36           |
|   |  | PF Co. Contribution            | 76.70                       | 70.22           |
|   |  | <b>Total</b>                   | <b>89.21</b>                | <b>83.12</b>    |
|   |  | <b>Staff welfare expenses</b>  |                             |                 |
|   |  | Staff Quarters Rent Paid -HS   | 37.36                       | 26.99           |
|   | Staff Quarters Rent Paid-HO            | 8.07                           | -                           |                 |
|   | Medical Expenses                       | 0.43                           | 0.33                        |                 |
|   | Free Medicines                         | 0.06                           | -                           |                 |
|   | Contract Fee                           | 2.66                           | -                           |                 |
|   | Tea & Food Expense                     | 189.66                         | 131.95                      |                 |
|   | Uniform Expenses-HS                    | 2.20                           | 2.95                        |                 |
|   | Uniform,Chappal Allowances-HO          | 2.70                           | 1.12                        |                 |
|   | Other staff Welfare Expenses           | 7.37                           | 4.00                        |                 |
|   | <b>Total</b>                           | <b>250.51</b>                  | <b>167.34</b>               |                 |
|   | <b>Employee Benefit Expenses Total</b> | <b>2,023.35</b>                | <b>1,598.39</b>             |                 |
| 28  | <b>Finance costs</b>                   |                                |                             |                 |
|   | Interest expenses on borrowings        |                                |                             |                 |
|   | Interest expenses on Working Capital   | 245.33                         | 414.34                      |                 |
|   | Interest expenses on Others            | 137.36                         | 29.79                       |                 |
|   | <b>Total</b>                           | <b>382.69</b>                  | <b>444.13</b>               |                 |

| Kerala Ayurveda Limited  |  |                                  |                                    |
|--|--|----------------------------------|------------------------------------|
| Notes forming part of the financial statements for the period ended 31.03.2024 |  |                                  |                                    |
| Note No  | Particulars                              | For the period ended 31st Mar'24 | For the period ended 31st March'23 |
|  |  | Amount in Lakhs                  | Amount in Lakhs                    |
| 29   | <b>Depreciation expenses</b>             |                                  |                                    |
|  | Depreciation                             | 76.85                            | 63.89                              |
|  | <b>Total</b>                             | <b>76.85</b>                     | <b>63.89</b>                       |
| 30   | <b>Other expenses</b>                    |                                  |                                    |
|  | Rent                                     | 308.43                           | 244.73                             |
|  | <b>Bank Charges</b>                      |                                  |                                    |
|  | Bank Charges HO                          | 3.37                             | 24.20                              |
|  | Bank Charges-Corporate                   | 2.01                             | 2.21                               |
|  | Bank Charges (Branches)                  | 13.88                            | 10.66                              |
|  | Bank Charges (Depots)                    | 0.01                             | 0.09                               |
|  | <b>Total</b>                             | <b>19.27</b>                     | <b>37.16</b>                       |
|  | Rates & Taxes                            | 12.13                            | 5.68                               |
|  | <b>Legal &amp; Professional charges</b>  |                                  |                                    |
|  | Legal Charges                            | 1.19                             | 1.18                               |
|  | Professional Charges-HO                  | 31.65                            | 15.83                              |
|  | Professional Charges-Branches            | 23.02                            | 43.51                              |
|  | Consultancy Charges Corporate            | 1.20                             | 3.34                               |
|  | <b>Total</b>                             | <b>57.06</b>                     | <b>63.86</b>                       |
|  | Directors Sitting Fee                    | 11.50                            | 6.55                               |
|  | <b>Research and Development Expenses</b> |                                  |                                    |
|  | Analytical Expenses-R&D                  | 2.07                             | 1.12                               |
|  | Analytical Expenses-Export               | 1.35                             | 2.99                               |
|  | Research & Development Expense           | 72.19                            | 32.05                              |
|  | <b>Total</b>                             | <b>75.61</b>                     | <b>36.16</b>                       |
|  | <b>Travelling Expenses (Others)</b>      |                                  |                                    |
|  | Travelling -Others                       | 69.91                            | 30.90                              |
|  | Travelling Expenses-Conveyance           | 6.38                             | 0.82                               |
|  | <b>Total</b>                             | <b>76.29</b>                     | <b>31.72</b>                       |
|  | <b>Repairs &amp; Maintenance- Others</b> |                                  |                                    |
|  | R&M-Electrical Equipments                | 5.20                             | 6.97                               |
|  | R&M-F & F and Office Machines            | 0.47                             | 0.14                               |
|  | Hire charges                             | 3.16                             | -                                  |
|  | R&M-Other Assets                         | 17.42                            | 29.66                              |
|  | R&M-Others                               | 2.99                             | 1.78                               |
|  | <b>Total</b>                             | <b>29.24</b>                     | <b>38.55</b>                       |
|  | Vehicle Expenses-HO/HS                   | 3.90                             | 3.50                               |
|  | Insurance                                | 10.39                            | 10.74                              |
|  | Printing & Stationery Expenses           | 28.45                            | 25.76                              |
|  | <b>Postage &amp; Telephone</b>           |                                  |                                    |
|  | Postage & Communication Exp              | 7.37                             | 6.64                               |
|  | Internet Charges                         | 7.14                             | 7.36                               |
|  | <b>Total</b>                             | <b>14.51</b>                     | <b>14.00</b>                       |
|  | <b>Secretarial Expenses</b>              |                                  |                                    |
|  | Annual General Meeting                   | 1.49                             | 1.49                               |
|  | Listing Charges                          | 3.25                             | 3.00                               |
|  | Others                                   | 9.20                             | 15.27                              |
|  | <b>Total</b>                             | <b>13.94</b>                     | <b>19.76</b>                       |



| <b>Kerala Ayurveda Limited</b>  |                                      |                             |                             |
|---|--------------------------------------|-----------------------------|-----------------------------|
| <b>Notes forming part of the financial statements for the period ended 31.03.2024</b> |                                      |                             |                             |
| <b>Note No</b>  | <b>Particulars</b>                   | <b>For the period ended</b> | <b>For the period ended</b> |
|   |                                      | <b>31st Mar'24</b>          | <b>31st March'23</b>        |
|   |                                      | <b>Amount in Lakhs</b>      | <b>Amount in Lakhs</b>      |
|   | Repairs to Building                  | 1.26                        | 7.32                        |
|   | Conveyance Expenses                  | 0.38                        | 0.33                        |
|   | Canteen Expenses                     | 18.69                       | 15.21                       |
|   | Electricity charges-Branches         | 31.32                       | 25.45                       |
|   | <b>Other Administrative Expenses</b> |                             |                             |
|   | Office Expenses                      | 14.17                       | 13.32                       |
|   | Loss on Sale of Fixed Asset          | -                           | 0.65                        |
|   | Bad Debts Write Off                  | (4.43)                      | (16.56)                     |
|   | IT Expenses                          | 11.84                       | 10.02                       |
|   | Interest on Income tax               | -                           | 0.05                        |
|   | Income Tax Expenses                  | -                           | (0.13)                      |
|   | Round off                            | (0.01)                      | (0.01)                      |
|   | Security Expenses                    | 21.95                       | 22.99                       |
|   | GST Paid Ineligible                  | 32.56                       | 11.13                       |
|   | Printing Ink Expense                 | 0.33                        | 0.42                        |
|   | Membership/Subsription Expenses      | 3.55                        | 1.74                        |
|   | Miscellaneous Expenses Branches      |                             |                             |
|   | Books&Periodicals                    | 0.70                        | 0.56                        |
|   | Pooja Expenses                       | 0.69                        | 1.29                        |
|   | Cleaning Expenses-HO                 | 1.21                        | 0.84                        |
|   | Diesel (Branches)                    | 1.53                        | 1.11                        |
|   | Brockerage & Commisssion             | 1.94                        | 3.37                        |
|   | Audit expenses                       | 1.15                        | 0.83                        |
|   | PF & ESI Damages                     | 14.32                       | 2.10                        |
|   | Recruitment Expenses                 | 2.52                        | 0.02                        |
|   | House Keeping Expenses               | 3.29                        | 3.55                        |
|   | Software Subscription Charges        | 7.37                        | 0.74                        |
|   | <b>Total</b>                         | <b>114.68</b>               | <b>58.03</b>                |
|   | Internal Audit fee                   | 0.50                        | 0.50                        |
|   | Statutory Audit fee                  | 4.00                        | 5.00                        |
|   | <b>Travelling-Sales Staff</b>        |                             |                             |
|   | Travelling Allowances                | 142.35                      | 124.02                      |
|   | Boarding & Lodging                   | 11.27                       | 9.09                        |
|   | Ticket Charges                       | 52.61                       | 60.28                       |
|   | <b>Total</b>                         | <b>206.23</b>               | <b>193.39</b>               |
|   | <b>Advertisements</b>                |                             |                             |
|   | Advertisement -HO                    | 1.43                        | 1.15                        |
|   | Advertisement - HS&Depot             | 2.38                        | 2.36                        |
|   | <b>Total</b>                         | <b>3.81</b>                 | <b>3.51</b>                 |

| <b>Kerala Ayurveda Limited</b>  |  |   |   |
|---|--|---|---|
| <b>Notes forming part of the financial statements for the period ended 31.03.2024</b> |  |   |   |
| <b>Note No</b>  | <b>Particulars</b>                               | <b>For the period ended 31st Mar'24</b> | <b>For the period ended 31st March'23</b> |
|   |  | <b>Amount in Lakhs</b>                  | <b>Amount in Lakhs</b>                    |
|   | <b>Commission &amp; Discount</b>                 |   |   |
|   | Ref. Commission-HS                               | 9.63                                    | 14.15                                     |
|   | C & F Commission                                 | 10.73                                   | 12.14                                     |
|   | D-KALP Commission                                | 8.80                                    | 1.36                                      |
|   | Commission                                       | 0.76                                    | -   |
|   | Compliments                                      | 1.81                                    | 2.46                                      |
|   | Agents Commission                                | 8.48                                    | 13.76                                     |
|   | Discount-Secondary Scheme-Depot                  | -                                       | 0.07                                      |
|   | <b>Total</b>                                     | <b>40.21</b>                            | <b>43.94</b>                              |
|   | <b>Training Expenses</b>                         |   |   |
|   | Demo Expenses                                    | 0.29                                    | 0.27                                      |
|   | Training Expenses                                | 4.76                                    | 2.72                                      |
|   | <b>Total</b>                                     | <b>5.05</b>                             | <b>2.99</b>                               |
|   | <b>Freight Expenses</b>                          |   |   |
|   | Secondary Freight                                | 117.64                                  | 97.24                                     |
|   | Vehicle Running Expenses-Delivery Van            | 6.30                                    | 5.30                                      |
|   | Export Freight                                   | 14.83                                   | 25.37                                     |
|   | Freight on Export Samples                        | 0.08                                    | -   |
|   | Import Freight                                   | 6.68                                    | -   |
|   | Secondary Loading and Unloading                  | 2.31                                    | 2.27                                      |
|   | Primary Loading and Unloading                    | 1.74                                    | 1.71                                      |
|   | <b>Total</b>                                     | <b>149.58</b>                           | <b>131.89</b>                             |
|   | <b>Sales promotion Expenses</b>                  |   |   |
|   | Sales Promotion Expenses-Depot and E Com         | 82.19                                   | 91.29                                     |
|   | Cash Discount Branches&HO                        | 5.61                                    | 1.24                                      |
|   | Cash Discount-Depo                               | 11.25                                   | 9.68                                      |
|   | Sales Promotion Expenses-HO                      | 10.40                                   | 5.96                                      |
|   | Sales Promotion Exps- HS                         | 2.25                                    | 0.80                                      |
|   | Sales Promotion Exps- Corp.                      | 2.77                                    | 8.25                                      |
|   | Cost of Samples                                  | 35.11                                   | 45.41                                     |
|   | <b>Total</b>                                     | <b>149.58</b>                           | <b>162.63</b>                             |
|   | <b>Other Selling &amp; Distribution Expenses</b> |   |   |
|   | Meeting Expenses                                 | 18.51                                   | 9.34                                      |
|   | Medicine Damages                                 | (0.03)                                  | (0.32)                                    |
|   | Transaction Charge-E Com                         | 182.03                                  | 162.27                                    |
|   | Incentive-Pharmacist                             | 0.88                                    | -   |
|   | Incentive-Therapists                             | 0.04                                    | 0.15                                      |
|   | Webinar Charges                                  | -                                       | -   |
|   | Website Charges                                  | 51.76                                   | 126.27                                    |
|   | Business Development Expenses                    | -                                       | -   |
|   | Medical Camp,Seminar & Exhibition                | 5.69                                    | 4.48                                      |
|   | Exchange Rate Difference                         | 0.42                                    | -   |
|   | <b>Total</b>                                     | <b>259.30</b>                           | <b>302.19</b>                             |

| <b>Kerala Ayurveda Limited</b>  |  |   |   |
|---|--|---|---|
| <b>Notes forming part of the financial statements for the period ended 31.03.2024</b> |  |   |   |
| <b>Note No</b>  | <b>Particulars</b>   | <b>For the period ended 31st Mar'24</b> | <b>For the period ended 31st March'23</b> |
|   |  | <b>Amount in Lakhs</b>                  | <b>Amount in Lakhs</b>                    |
|   | <b>Other Manufacturing Expenses</b>  |   |   |
|   | Fuel Consumed  | 155.22                                  | 149.37                                    |
|   | Electricity charges  | 25.30                                   | 21.83                                     |
|   | Repairs to Plant & Machinery   | 21.11                                   | 21.31                                     |
|   | Repairs to Building  | 3.66                                    | 6.23                                      |
|   | Job Works  | 283.37                                  | 238.22                                    |
|   | Consumables  | 16.56                                   | 6.15                                      |
|   | Diesel   | 2.66                                    | 2.62                                      |
|   | Material Handling  | 0.92                                    | 0.55                                      |
|   | Pest Control Expenses  | 1.50                                    | 1.08                                      |
|   | Water Charges  | 2.12                                    | 0.73                                      |
|   | Primary Freight  | 23.41                                   | 21.41                                     |
|   | <b>Total</b>   | <b>535.83</b>                           | <b>469.50</b>                             |
|   | Cultivation Expenses   | 3.71                                    | 3.29                                      |
|   | <b>Treatment Expenses</b>  |   |   |
|   | Cleaning Expenses (Branches&Depot)   | 63.51                                   | 59.19                                     |
|   | Consultation Fee Paid (Branches)   | 14.98                                   | 15.51                                     |
|   | Consumables Purchase (Branches)  | 47.53                                   | 32.57                                     |
|   | Consumables Purchase -HS   | 0.95                                    | 6.94                                      |
|   | Laboratory Charges (Branches)  | 1.31                                    | 1.34                                      |
|   | LPG (Branches)   | 6.04                                    | 5.81                                      |
|   | Water Charges (Branches&Depot)   | 7.41                                    | 7.24                                      |
|   | <b>Total</b>   | <b>141.73</b>                           | <b>128.60</b>                             |
|   | <b>Indirect tax</b>  | <b>510.45</b>                           | <b>417.49</b>                             |
|   | <b>Other Expenses Total</b>  | <b>2,837.03</b>                         | <b>2,509.43</b>                           |
|   | <b>Payments to the auditors comprises (net of service tax input credit, where applicable):</b> |   |   |
|   | As auditors - Statutory audit & Tax Audit  | 4.50                                    | 5.00                                      |
|   | Reimbursement of expenses  | 1.15                                    | 0.83                                      |
|   | <b>Total</b>   | <b>5.65</b>                             | <b>5.83</b>                               |

| Kerala Ayurveda Limited  |   |  |                         |
|--|---|--|-------------------------|
| Notes forming part of the financial statements for the year ended 31st March, 2024 |   |  |                         |
|  |   |  | Rs. in Lakhs            |
| Notes  | Particulars   | 31st March, 2024                                     | 31st March, 2023        |
| 31   | <b>Earnings In Foreign Currency</b>   |  |                         |
|  | Export of Medicine  | 127.51   | 89.13                   |
|  | <b>Total</b>  | <b>127.51</b>  | <b>89.13</b>            |
|  | <b>Expenditure in Foreign Currency :</b>  |  |                         |
| Import of Packing Material   | 7.20  | 26.40  |                         |
|  | <b>Total</b>  | <b>7.20</b>  | <b>26.40</b>            |
| 32   | <b>Managerial Remuneration</b>  |  |                         |
|  | To the Whole Time Director  |  |                         |
|  | Salary  | 15.36  | 15.36                   |
|  | Other Allowances  | 15.24  | 15.24                   |
|  | <b>Total</b>  | <b>30.60</b>   | <b>30.60</b>            |
| 33   | <b>Related Party Disclosure under Ind Accounting Standard 24:</b>                                   |  |                         |
|  | <b>A. Names of related parties and nature of related party relationships</b>                        |  |                         |
|  | <b>Description of relationship</b>  | <b>Names of related parties</b>                      |                         |
|  | Holding Company   | Katra Holdings Ltd, Mauritius                        |                         |
|  |   | Ayurvedagram Heritage Wellness Centre Pvt Ltd        |                         |
|  |   | Suveda Inc   |                         |
|  | Subsidiary Companies  | Ayu Natural Medicine Clinic PS, USA                  |                         |
|  |   | Ayurvedic Academy Inc., USA                          |                         |
|  |   | Nutraveda Pte Ltd                                    |                         |
|  |   | CMS Katra Holdings LLC, USA                          |                         |
|  |   | CMS Katra Nursing LLC, USA                           |                         |
|  | Companies where Promoter Director is having control/significant influence                           | All Seasons Herbs Pvt. Ltd.                          |                         |
|  |   | KAL Ayurveda Research & Education Foundation         |                         |
|  |   | Katra Holding Pvt. Ltd.                              |                         |
|  |   | S R Pharmaceuticals                                  |                         |
|  |   | Katra Phytochem India Pvt. Ltd.                      |                         |
|  |   | Confederation for Ayurvedic Renaissance Keralam Ltd. |                         |
|  |   | Mason & Summers Leisure Pvt. Ltd.                    |                         |
|  | Director/Key Managerial Person  | Dr K Anil Kumar, Whole time Director                 |                         |
|  |   | Mr. Vivek Sunder, CEO                                |                         |
|  |   | Mr George KT, CFO                                    |                         |
|  |   | Ashitha BR, Company Secretary                        |                         |
|  |   | Ms Jyothi Gulecha, Company Secretary                 |                         |
|  | Note: Related parties have been identified by the Management.                                       |  |                         |
|  | Loans given to Subsidiary companies under the old companies act and are in the process of repayment |  |                         |
|  | <b>B. Transaction with Related Parties</b>  |  | <b>Amount in Lakhs</b>  |
|  | <b>Particulars</b>  | <b>31st March, 2024</b>                              | <b>31st March, 2023</b> |
|  | <b>Loan Received from Related Party</b>   |  |                         |
|  | Ayurvedagram Heritage Wellness Centre Pvt Ltd   | 307.70   | 244.00                  |
|  | Katra Holding Pvt. Ltd.   | 123.25   | 1,017.00                |
|  | Katra Phytochem India Pvt. Ltd.   | 884.44   | 1,282.69                |
|  | <b>Repayment of Loan to Related Party</b>   |  |                         |
|  | Ayurvedagram Heritage Wellness Centre Pvt Ltd   | 380.20   | 22.00                   |
|  | Katra Holding Pvt. Ltd.   | 61.00  | 800.00                  |
|  | Katra Phytochem India Pvt. Ltd.   | 36.37  | 115.55                  |
|  | <b>Interest Expenses on Loan from Related Party</b>   |  |                         |
|  | Katra Phytochem India Pvt. Ltd.   | 95.19  | 23.74                   |

|  |   |                                   |                 |                                   |
|--|---|-----------------------------------|-----------------|-----------------------------------|
| <b>Sales of Goods to Related Party</b>               |   |                                   |                 |                                   |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | 70.40                                     |                                   | 92.67           |                                   |
| Suvedha INC  | 101.23                                    |                                   | 61.22           |                                   |
| Katra Phytochem India Pvt. Ltd.                      | -   |                                   | 3.86            |                                   |
| KAL Ayurveda Research Foundation                     | 0.29                                      |                                   | 0.30            |                                   |
| <b>Purchase Goods or Service from Related Party</b>  |   |                                   |                 |                                   |
| All Seasons Herbs Pvt. Ltd.                          | 19.44                                     |                                   | 13.81           |                                   |
| Katra Phytochem India Pvt. Ltd.                      | 11.58                                     |                                   | 17.82           |                                   |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | -   |                                   | 8.38            |                                   |
| <b>Income received by Related Party</b>              |   |                                   |                 |                                   |
| Ayurvedic Academy Inc., USA                          | -   |                                   | 47.71           |                                   |
| <b>Expenses Paid on behalf of Related Party</b>      |   |                                   |                 |                                   |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | 0.83                                      |                                   | 46.01           |                                   |
| Suvedha INC  | 12.82                                     |                                   | 128.63          |                                   |
| Ayurvedic Academy Inc., USA                          | 50.67                                     |                                   | 41.16           |                                   |
| KAL Ayurveda Research Foundation                     | 0.11                                      |                                   | 0.78            |                                   |
| Katra Phytochem India Pvt. Ltd.                      | -   |                                   | 0.20            |                                   |
| <b>Expenses of company was paid by Related Party</b> |   |                                   |                 |                                   |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | -   |                                   | 19.78           |                                   |
| Ayurvedic Academy Inc., USA                          | -   |                                   | 0.34            |                                   |
| <b>Remuneration to Key Managerial Personnel</b>      |   |                                   |                 |                                   |
| Dr K Anil Kumar, Whole time Director                 | 30.60                                     |                                   | 30.60           |                                   |
| Mr. Vivek Sunder, CEO                                | 23.57                                     |                                   | -               |                                   |
| Mr George KT, CFO                                    | 16.27                                     |                                   | 12.90           |                                   |
| Ms Ashitha BR, Company Secretary                     | -   |                                   | 2.12            |                                   |
| Ms Jyothi Gulecha, Company Secretary                 | 6.05                                      |                                   | 0.44            |                                   |
| <b>Closing Balance DR/ (CR)</b>                      |   |                                   |                 |                                   |
| <b>Lending to Foreign Subsidiaries</b>               |   |                                   |                 |                                   |
| Ayurvedic Academy Inc., USA                          | 626.33                                    |                                   | 585.36          |                                   |
| CMS Katra Holdings LLC, USA                          | 774.46                                    |                                   | 723.80          |                                   |
| Nutraveda Pte Ltd                                    | 0.41                                      |                                   | 0.38            |                                   |
| Suvedha INC  | 1,101.19                                  |                                   | 1,029.15        |                                   |
| <b>Other Balances</b>                                |   |                                   |                 |                                   |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | (253.02)                                  |                                   | (355.90)        |                                   |
| Suvedha INC  | 285.57                                    |                                   | 157.41          |                                   |
| Ayurvedic Academy Inc., USA                          | 126.72                                    |                                   | 83.54           |                                   |
| All Seasons Herbs Pvt. Ltd.                          | (6.22)                                    |                                   | (5.80)          |                                   |
| KAL Ayurveda Research Foundation                     | 2.44                                      |                                   | 1.67            |                                   |
| Katra Holding Pvt. Ltd.                              | (3,038.76)                                |                                   | (2,826.70)      |                                   |
| Katra Phytochem India Pvt. Ltd.                      | (1,325.24)                                |                                   | (1,191.36)      |                                   |
| <b>34</b>  | <b>Deferred tax assets/ (liabilities)</b> |                                   |                 |                                   |
|  | <b>Particulars</b>                        | <b>As at<br/>31st March, 2024</b> | <b>Movement</b> | <b>As at<br/>31st March, 2023</b> |
|  | Book/Tax depreciation difference          | (39.31)                           | 0.31            | (39.62)                           |
|  | Provision for Gratuity                    | 135.03                            | 5.43            | 129.60                            |
|  | Unabsorbed Depreciation Carried forward   | 17.98                             | (55.56)         | 73.54                             |
|  | Deferred Product Development Expenses     | (94.53)                           | (19.98)         | (74.55)                           |
|  | <b>Total deferred tax Asset</b>           | <b>19.17</b>                      | <b>(69.80)</b>  | <b>88.97</b>                      |

|   |  |  |                                 |
|---|--|--|---------------------------------|
| 35  | <b>Earnings Per Share :</b>  |  |                                 |
|   | <b>Particulars</b>   | <b>31st March, 2024</b>  | <b>31st March, 2023</b>         |
|   | Net Profit / (Loss ) after Tax   | (30.59)  | 325.73                          |
|   | Weighted Average Number of Shares outstanding during the year in Lakhs   | 110.36   | 105.56                          |
|   | Earnings Per Share (Rs.)   | (0.28)   | 3.09                            |
|   | Nominal Value of Shares (Rs.)  | 10.00  | 10.00                           |
| 36  | 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. |  |                                 |
| 37  | Previous year figures have been re-grouped / re-classified wherever necessary to correspond with the current year classification/Disclosure.   |  |                                 |
| In terms of our report attached.<br><b>For Maharaj Rajan &amp; Mathew</b><br>Chartered Accountants<br>FRN:001932S |  | For and on behalf of the Board of Directors<br><b>KERALA AYURVEDA LIMITED,</b> |                                 |
| Sd/-<br><b>Mathew Joseph , B Com, FCA</b><br>Proprietor<br>MEM NO 022658  |  | Sd/-<br><b>Ramesh Vangal</b><br>Chairman                                       |                                 |
| Place : Athani<br>Date : 29th May 2024  |  | Sd/-<br><b>Jyothi Gulecha</b><br>Company Secretary                             | Sd/-<br><b>George KT</b><br>CFO |

**Trade Receivables Ageing Schedule**  
As on March 31, 2024

| Particulars                                       | Less than 6 months | 6 months - 1 year | 1 - 2 years   | 2 - 3 years   | More than 3 years | Total           |
|---|--------------------|-------------------|---------------|---------------|-------------------|-----------------|
| <b>i. Undisputed Trade Receivables</b>            |                    |                   |               |               |                   |                 |
| a. Considered Good                                | 1,018.10           | 134.57            | 221.63        | 193.12        | 65.25             | 1,632.67        |
| b. which have significant increase in credit risk | -                  | -                 | -             | -             | -                 | -               |
| c. credit impaired                                | -                  | -                 | -             | -             | -                 | -               |
| <b>ii. Disputed Trade Receivables</b>             |                    |                   |               |               |                   |                 |
| a. Considered Good                                | -                  | -                 | -             | -             | -                 | -               |
| b. which have significant increase in credit risk | 4.67               | -                 | 1.28          | 2.07          | 38.42             | 46.44           |
| c. credit impaired                                | -                  | -                 | -             | -             | -                 | -               |
| <b>Total</b>                                      | <b>1,022.77</b>    | <b>134.57</b>     | <b>222.91</b> | <b>195.19</b> | <b>103.67</b>     | <b>1,679.11</b> |

**As on March 31, 2023**

| Particulars                                       | Less than 6 months | 6 months - 1 year | 1 - 2 years  | 2 - 3 years  | More than 3 years | Total           |
|---|--------------------|-------------------|--------------|--------------|-------------------|-----------------|
| <b>i. Undisputed Trade Receivables</b>            |                    |                   |              |              |                   |                 |
| a. Considered Good                                | 636.26             | 289.93            | 47.57        | 22.92        | 265.88            | 1,262.56        |
| b. which have significant increase in credit risk | -                  | -                 | -            | -            | -                 | -               |
| c. credit impaired                                | -                  | -                 | -            | -            | -                 | -               |
| <b>ii. Disputed Trade Receivables</b>             |                    |                   |              |              |                   |                 |
| a. Considered Good                                | -                  | -                 | -            | -            | -                 | -               |
| b. which have significant increase in credit risk | -                  | -                 | 3.35         | -            | 30.21             | 33.56           |
| c. credit impaired                                | -                  | -                 | -            | -            | -                 | -               |
| <b>Total</b>                                      | <b>636.26</b>      | <b>289.93</b>     | <b>50.92</b> | <b>22.92</b> | <b>296.09</b>     | <b>1,296.12</b> |

**Trade Payables Ageing Schedule**  
As on March 31, 2024

| Particulars               | Less than 1 year | 1 - 2 years  | 2 - 3 years | More than 3 years | Total         |
|---------------------------|------------------|--------------|-------------|-------------------|---------------|
| <b>i. Undisputed dues</b> |                  |              |             |                   |               |
| a. MSME                   | 77.15            | -            | -           | -                 | 77.15         |
| b. Others                 | 506.95           | 19.18        | 6.61        | 10.80             | 543.53        |
| <b>ii. Disputed dues</b>  |                  |              |             |                   |               |
| a. MSME                   | -                | -            | -           | -                 | -             |
| b. Others                 | -                | -            | -           | -                 | -             |
| <b>Total</b>              | <b>584.10</b>    | <b>19.18</b> | <b>6.61</b> | <b>10.80</b>      | <b>620.68</b> |

**As on March 31, 2023**

| Particulars               | Less than 1 year | 1 - 2 years  | 2 - 3 years | More than 3 years | Total         |
|---------------------------|------------------|--------------|-------------|-------------------|---------------|
| <b>i. Undisputed dues</b> |                  |              |             |                   |               |
| a. MSME                   | 14.34            | -            | -           | -                 | 14.34         |
| b. Others                 | 564.59           | 10.35        | 1.96        | 6.94              | 583.84        |
| <b>ii. Disputed dues</b>  |                  |              |             |                   |               |
| a. MSME                   | -                | -            | -           | -                 | -             |
| b. Others                 | -                | -            | -           | -                 | -             |
| <b>Total</b>              | <b>578.93</b>    | <b>10.35</b> | <b>1.96</b> | <b>6.94</b>       | <b>598.18</b> |

## Intangible Assets - Ageing Schedule

As on March 31, 2024

| Particulars                         | Less than 1 Year | 1-2 Years     | 2-3 Years    | More than 3 Years | Total           |
|-------------------------------------|------------------|---------------|--------------|-------------------|-----------------|
| i. Project In Progress              |                  |               |              |                   |                 |
| ii. Other Capex                     |                  | 130.44        | 28.90        | 982.85            | 1,142.20        |
| iii. Projects Temporarily Suspended |                  |               |              |                   | -               |
| <b>Total</b>                        | <b>-</b>         | <b>130.44</b> | <b>28.90</b> | <b>982.85</b>     | <b>1,142.20</b> |

As on March 31, 2023

| Particulars                         | Less than 1 Year | 1-2 Years       | 2-3 Years   | More than 3 Years | Total           |
|-------------------------------------|------------------|-----------------|-------------|-------------------|-----------------|
| i. Project In Progress              |                  |                 |             |                   |                 |
| ii. Other Capex                     | 6.83             | 152.55          | 34.74       | 956.93            | 1,151.05        |
| iii. Projects Temporarily Suspended |                  |                 |             |                   | -               |
| <b>Total</b>                        | <b>6.86</b>      | <b>1,130.14</b> | <b>8.34</b> | <b>5.71</b>       | <b>1,151.05</b> |

## Capital Work in Progress - Ageing Schedule

As on March 31, 2024

| Particulars                         | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total    |
|-------------------------------------|------------------|-------------|-------------|-------------------|----------|
| i. Project In Progress              | -                | -           | -           | -                 | -        |
| ii. Other Capex                     | -                | -           | -           | -                 | -        |
| iii. Projects Temporarily Suspended | -                | -           | -           | -                 | -        |
| <b>Total</b>                        | <b>-</b>         | <b>-</b>    | <b>-</b>    | <b>-</b>          | <b>-</b> |

As on March 31, 2023

| Particulars                         | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total    |
|-------------------------------------|------------------|-------------|-------------|-------------------|----------|
| i. Project In Progress              | -                | -           | -           | -                 | -        |
| ii. Other Capex                     | -                | -           | -           | -                 | -        |
| iii. Projects Temporarily Suspended | -                | -           | -           | -                 | -        |
| <b>Total</b>                        | <b>-</b>         | <b>-</b>    | <b>-</b>    | <b>-</b>          | <b>-</b> |



## Analytical Ratios

| SL. NO | PARTICULARS  | NUMERATOR | DENOMINATOR | RATIO,<br>31.03.24 | RATIO,<br>31.03.23 | VARIANCE | REASON                             |
|--------|--|-----------|-------------|--------------------|--------------------|----------|------------------------------------|
| A      | Current Ratio (times)<br>Current Assets/Current Liabilities                            | 4,995.59  | 2,477.92    | 2.02               | 0.88               | 128.39%  |                                    |
| B      | Debt-Equity Ratio (times)<br>Total Debt/Shareholder's Equity                           | 5,980.09  | 4,237.69    | 1.41               | 4.30               | -67.16%  | Due to increase in share capital   |
| C      | Debt Service Coverage Ratio (times)<br>(EBIDA/Debt Service (Int+Principal))            | 432.42    | 700.40      | 0.62               | 1.45               | -57.38%  | Due decrease in EBITDA.            |
| D      | Net Profit Ratio (%)<br>Net Profit/Sales   | (27.12)   | 7,314.12    | (0.37)             | 4.57               | -108.12% | Due to decrease in net profit      |
| E      | Return on Equity Ratio (%)<br>Net Profit after tax/Average Shareholder's Equity        | (27.12)   | 2,845.48    | (0.95)             | 22.40              | -104.25% | Due to decrease in net profit      |
| F      | Return on Capital employed (%)<br>Earnings before interest and tax/Capital Employed    | 425.37    | 10,217.78   | 4.16               | 8.85               | -52.97%  | Due to decrease in net profit      |
| G      | Return on Investment (%)<br>Profit for the year/Cost of Investment                     | (27.12)   | 2,845.48    | (0.95)             | 22.40              | -104.25% | Due to decrease in net profit      |
| H      | Trade Receivables turnover ratio (times)<br>Net Credit Sales/Average trade receivables | 6,812.05  | 1,443.23    | 4.72               | 4.30               | 9.74%    |                                    |
| I      | Inventory turnover ratio (times)<br>COGS/Average Inventory                             | 2,936.97  | 816.53      | 3.60               | 4.03               | -10.80%  | Due to increase in COGS            |
| J      | Trade payables turnover ratio (times)<br>Net Credit Purchases /Average Trade Payables  | 2,299.69  | 609.44      | 3.77               | 3.43               | 10.00%   |                                    |
| K      | Net capital turnover ratio (times)<br>Net Sales/ Working Capital(CA-CL)                | 7,314.12  | 2,517.67    | 2.91               | -4.82              | -160.24% | Due to increase in working capital |

The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of amendments dated March 24, 2021 in Schedule III to the Companies Act 2013 with effect from 1st day of April, 2021:-

- (a) During the year The Company has no transaction with Companies struck off under section 248 of Companies Act 2013 or sec 560 of Companies Act, 1956.
- (b) The title in respect of self-constructed buildings and title deeds of all other immovable properties are held in the name of the company
- (c) (b)The Company has not revalued its property, Plant and Equipment during the year.

(d) There is no proceeding initiated or pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(e) The Company is not declared wilful defaulter by any bank or financial Institution or any other lenders.

(f) There is no transaction that has not been recorded in the books of accounts and surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(g) There is no scheme of arrangements has been approved during the year by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.

(h) The Company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are not in agreement with the books of accounts.

| Particulars | As per the statement submitted to bank ( In Lakhs) | As per books (In Lakhs ) | Diff     |
|-------------|--|--------------------------|----------|
| Stock       | 827.73   | 988.72                   | (160.99) |
| S.Crs       | 433.34   | 620.69                   | (187.35) |
| S.Drs       | 1,680.92   | 1679.11                  | 1.81     |

(i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(j) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities with the understanding (whether recorded in writing or otherwise) that the Intermediary shall : (Intermediaries)

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries)

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(k) The Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(l) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Kerala Ayurveda Limited Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Kerala Ayurveda Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March, 2024, and its consolidated Loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have

obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Carrying value of Inventory

| Key Audit Matter   | Auditor's Response  |
|--|---|
| <p>Refer to Note 09 to these Financial Statements.</p> <p>The total Inventories as of March 31, 2024 amounted to ₹ 1,550.00 lakhs representing 11.00 % of the total assets (2023: ₹ 1249.35 Lakhs, 10.78 % of the total assets)</p> <p>The Group has significant levels of inventories and significant management judgments are taken with regard to categorization of inventories into obsolete and/or slow moving and which should be therefore be considered for provision. Estimates are then involved in arriving at provisions against cost in respect of slow moving and obsolete inventories to arrive at valuation based on lower of cost and net realizable value.</p> <p>Given the level of significant management judgments and estimates involved this is considered to be a key audit matter</p> | <p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Challenging the management with regard to the calculation methodology, the basis for provision and the process with respect to inventory provision.</li> <li>• Testing the design, implementation and operating effectiveness of the key controls management has established for provision computations and to ensure the accuracy of the inventory provision.</li> <li>• Assessing the adequacy of, and movements in, inventory provisions held, by recalculating a sample of items included within the provision to ensure appropriate basis of valuation.</li> <li>• Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date.</li> </ul> |

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>• Evaluating the appropriateness of the assumptions used based on our knowledge and information of the client and the industry.</li> </ul> |
|--|---|

### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Report on Corporate Governance and the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

6. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated Loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /Management of the companies included in the Group

covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group

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

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks,

and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group covered under the Act have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

14. We did not audit the financial statements of 7 subsidiaries, whose financial statements reflects total assets of Rs. 8006.67 Lakhs as at 31<sup>st</sup> March 2024, total revenue of Rs. 3677.26 Lakhs, total net Profit after tax of Rs 95.95 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements and matters identified and disclosed under key audit matters section above, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditors.

15. As required by Section 197(16) of the Act, we report that the Holding Company covered under the Act paid remuneration to their respective Directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that a subsidiary company covered under the Act has not paid or provided for any managerial remuneration during the year.

16. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the Directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of statutory auditors of subsidiary companies, none of the Directors of the Group companies covered under the Act, are disqualified as on 31 March, 2024 from being appointed as a Director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of the subsidiaries:
  - i) The Company does not have any pending litigations which would impact its financial position
  - ii) The Company does not have any long-term contracts requiring a provision for material foreseeable losses.
  - iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.
- iv(a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person(s) or entities, including foreign



entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iv(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors’ notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (iv) (a) and (iv) (b) above, contain any material mis-statement.

(v) The Holding Company have neither declared nor paid dividend during the year.

vi. Based on our examination which included test checks, performed by us on the Company and its subsidiaries incorporated in India Except for the instances mentioned below have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2024, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

| <b>Name of the Company</b>                            | <b>CIN</b>            | <b>Relationship</b> |
|---|-----------------------|---------------------|
| Ayurvedagram Heritage Wellness Centre Private Limited | U74140KA2003PTC031511 | Subsidiary          |

2. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiaries incorporated in India included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/ adverse remarks.

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

Mathew Joseph Bcom ,FCA,DISA(ICA)  
(Partner)  
Membership Number 022658  
UDIN: 24022658BKAJ VX1411

Ernakulam  
29/05/2024

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

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

In conjunction with our audit of the consolidated financial statements of Kerala Ayurveda Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), as of and for the year ended 31 March, 2024, we have audited the Internal Financial Controls over Financial Reporting of the Holding Company and its Subsidiary Company, which are Companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company and its Subsidiary Company, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the respective Company's policies, the safeguarding of the Company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Internal Financial Controls over Financial Reporting of the Holding Company and its Subsidiary Company which are incorporated in India based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls over Financial Reporting, and the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over Financial Reporting of the Holding Company and its Subsidiary Company which are companies incorporated in India.

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

A Company's Internal Financial Controls over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Controls over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Internal Financial Controls over Financial Reporting , including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting to future periods are subject to the risk that the Internal Financial Controls over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and based on the consideration of the report of the other auditor on Internal Financial Controls over Financial Reporting of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2024, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matter**

We did not audit the Internal Financial Controls over Financial Reporting in so far as it relates to one subsidiary company, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 1603.61 lakhs as at 31 March 2024, total revenues of ₹ 1169.21 Lakhs and net profit after tax ₹ 189.04 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The Internal Financial Controls over Financial Reporting in so far as it relates to such subsidiary company, has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the Internal Financial Controls over Financial Reporting for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

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

Ernakulam  
29/05/2024

Mathew Joseph Bcom ,FCA,DISA(ICA)  
(Partner)  
Membership Number 022658  
UDIN: 24022658BKAJVX1411

| Kerala Ayurveda Limited<br>Consolidated Balance Sheet as at 31st March, 2024                                 |          |   |                                       |
|--|----------|---|---------------------------------------|
| Particulars  | Note No. | As at 31st March 2024<br>Amount in Rs                                   | As at 31st March 2023<br>Amount in Rs |
| <b>A ASSETS</b>  |          |   |                                       |
| <b>Non-Current assets</b>  |          |   |                                       |
| Fixed Assets   |          |   |                                       |
| Gross Block  |          | 6,773.02  | 6,672.80                              |
| Less: Depreciation Reserve   |          | 2,497.23  | 2,371.40                              |
| Property, plant & equipment  | 4        | 2,389.69  | 2,399.15                              |
| Capital work in progress   |          | 682.38  | 684.38                                |
| Other Intangible Assets  |          | 1,204.02  | 1,217.86                              |
| Good will on Consolidation   |          | 1,025.77  | 1,025.77                              |
| Financial Assets   |          |   |                                       |
| Investments  | 5        | 2.91  | 2.91                                  |
| Loans  | 6        | 1,809.28  | 1,775.27                              |
| Other Financial assets   | 7        | 713.92  | 669.37                                |
| Deferred Tax Asset (Net)   |          | -   | 69.69                                 |
| Income Tax assets(net)   | 8        | 233.88  | 220.21                                |
| <b>Total Non current Assets</b>  |          | <b>8,061.85</b>   | <b>8,064.61</b>                       |
| <b>Current Assets</b>  |          |   |                                       |
| Inventories  | 9        | 1,550.00  | 1,249.36                              |
| Financial assets   |          |   |                                       |
| Trade Receivables  | 10       | 1,579.89  | 1,296.12                              |
| Cash and Cash equivalents  | 11       | 2,279.44  | 437.89                                |
| Other current assets   | 12       | 599.34  | 542.05                                |
| <b>Total Current Assets</b>  |          | <b>6,008.67</b>   | <b>3,525.42</b>                       |
| <b>TOTAL ASSETS</b>  |          | <b>14,070.52</b>  | <b>11,590.03</b>                      |
| <b>B EQUITY AND LIABILITIES</b>  |          |   |                                       |
| <b>Equity</b>  |          |   |                                       |
| Equity Share Capital   | 13       | 1,203.25  | 1,055.57                              |
| Other Equity   | 14       | 2,013.10  | (497.98)                              |
| Share Application Money  |          |   |                                       |
| Equity attributable to the owners of the Company   |          | 3,216.35  | 557.59                                |
| Non Controlling Interest   |          | 296.85  | 230.43                                |
| <b>Total Equity</b>  |          | <b>3,513.20</b>   | <b>788.02</b>                         |
| <b>Liabilities</b>   |          |   |                                       |
| <b>Non-Current Liabilities</b>   |          |   |                                       |
| <b>Financial Liabilities</b>   |          |   |                                       |
| Borrowings   | 15       | 5,941.69  | 5,041.60                              |
| Provisions   | 16       | 500.63  | 456.53                                |
| Other non current Liabilities  | 17       | 56.56   | 34.50                                 |
| Deferred Tax Liability (Net)   |          | 18.01   | -                                     |
| <b>Total Non Current Liabilities</b>   |          | <b>6,516.89</b>   | <b>5,532.63</b>                       |
| <b>Current liabilities</b>   |          |   |                                       |
| Borrowings   | 18       | 816.09  | 2,320.69                              |
| Trade payables   | 19       |   |                                       |
| Due to Micro and Small Enterprises   |          | 77.15   | 14.33                                 |
| Due to Others  |          | 699.64  | 736.16                                |
| Other current liabilities  | 20       | 2,254.61  | 2,055.54                              |
| Provisions   | 21       | 192.94  | 142.66                                |
| <b>Total Current Liabilities</b>   |          | <b>4,040.43</b>   | <b>5,269.38</b>                       |
| <b>TOTAL LIABILITIES</b>   |          | <b>10,557.32</b>  | <b>10,802.01</b>                      |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>  |          | <b>14,070.52</b>  | <b>11,590.03</b>                      |
| The accompanying notes form an integral part of these financial instruments in terms of our report attached. |          |   |                                       |
| In terms of our report attached  |          |   |                                       |
| For Maharaj Rajan & Mathew<br>Chartered Accountants<br>FRN 007920S   |          | For and on behalf of the Board of Directors<br>KERALA AYURVEDA LIMITED, |                                       |
| Sd/-<br>Mathew Joseph FCA<br>Partner<br>M.No 22658   |          | Sd/-<br>Ramesh Vangal<br>Chairman                                       |                                       |
| Place : Athani<br>Date : 29th May 2024   |          | Sd/-<br>Jyothi Gulecha<br>Company Secretary                             | Sd/-<br>George KT<br>CFO              |

| <b>Kerala Ayurveda Limited</b>  |  |   |                      |                          |
|---|--|---|----------------------|--------------------------|
| <b>Consolidated Profit and Loss for the year ended 31st March 2024</b>  |  |   |                      |                          |
|   | Particulars  | Note No.  | For the period ended | For the period ended     |
|   |  |   | 31st Mar 2024        | 31st Mar 2023            |
|   |  |   | Amount in Rs         | Amount in Rs             |
|   | <b>Income</b>  |   |                      |                          |
|   | (a) Revenue from operations  | 22  | 10,785.60            | 9,341.33                 |
|   | (b) Other income   | 23  | 51.56                | 28.66                    |
| <b>A</b>  | <b>Total revenue</b>   |   | <b>10,837.16</b>     | <b>9,369.99</b>          |
|   | <b>Expenses</b>  |   |                      |                          |
|   | (a) Cost of Materials consumed   | 24  | 2,103.16             | 1,668.63                 |
|   | (b) Purchases of Medicines (Stock In Trade)                                  | 25  | 427.24               | 328.31                   |
|   | (c) Changes in Inventories of FG, WIP & Stock In Trade                       | 26  | (334.76)             | 8.09                     |
|   | (d) Employee benefits expense  | 27  | 3,426.76             | 2,811.61                 |
|   | (e) Finance costs  | 28  | 446.44               | 482.20                   |
|   | (f) Depreciation & Ammortisation   | 29  | 134.32               | 110.75                   |
|   | (g) Other expenses   | 30  | 4,335.44             | 3,950.37                 |
|   | (h) Gain or loss on conversion to INR  |   | 171.45               | 349.43                   |
| <b>B</b>  | <b>Total Expenses</b>  |   | <b>10,710.05</b>     | <b>9,709.39</b>          |
| <b>C</b>  | <b>Profit Before Extraordinary items and Tax (A-B)</b>                       |   | <b>127.11</b>        | <b>(339.40)</b>          |
| <b>D</b>  | Add: Exceptional Items   |   |                      |                          |
| <b>E</b>  | Add: Prior Period Items  |   | -                    | 283.48                   |
| <b>F</b>  | <b>Profit Before Tax (C+D+E)</b>   |   | <b>127.11</b>        | <b>(55.92)</b>           |
|   | <b>Tax expense:</b>  |   |                      |                          |
|   | (a) Current tax  |   | 131.97               | 76.52                    |
|   | (b) Deferred tax   |   | 87.70                | (50.10)                  |
|   | (c) (Less): MAT credit (where applicable)                                    |   | (6.27)               | (39.52)                  |
| <b>G</b>  | <b>Total Tax</b>   |   | <b>213.40</b>        | <b>(13.10)</b>           |
| <b>H</b>  | <b>Profit for the period (F-G)</b>   |   | <b>(86.29)</b>       | <b>(42.82)</b>           |
| <b>I</b>  | Less Minority Interest   |   | 66.42                | 47.25                    |
| <b>J</b>  | <b>Profit for the year after minority Interest (H-I)</b>                     |   | <b>(152.71)</b>      | <b>(90.07)</b>           |
| <b>K</b>  | Other comprehensive income   |   |                      |                          |
|   | Items that will not be reclassified to Profit or Loss                        |   | (3.54)               | 36.66                    |
|   | <b>Total Income for the year, net of Taxes (J+K)</b>                         |   | <b>(156.25)</b>      | <b>(53.41)</b>           |
|   | Earnings Per Equity Share  |   |                      |                          |
|   | Basic & diluted [Nominal value of shares Rs. 10/- each]                      |   | (1.42)               | (0.51)                   |
|   | The accompanying notes form an integral part of these financial instruments. |   |                      |                          |
| In terms of our report attached.<br>For Maharaj Rajan & Mathew<br>Chartered Accountants<br>FIRM REGN NO 0079205 |  | For and on behalf of the Board of Directors<br>KERALA AYURVEDA LIMITED, |                      |                          |
| Sd/-<br>Mathew Joseph FCA<br>Partner<br>MEM NO 22658  |  | Sd/-<br>Ramesh Vangal<br>Chairman                                       |                      |                          |
| Place : Athani<br>Date : 29th May 2024  |  | Sd/-<br>Jyothi Gulecha<br>Company Secretary                             |                      | Sd/-<br>George KT<br>CFO |



| Kerala Ayurveda Limited  |   |  |
|--|---|--|
| Consolidated Cash Flow Statement for the period ended 31st March , 2024                |   |  |
| Particulars  | For the period ended<br>31st March , 2024                                     | For the year Ended 31st<br>March, 2023 |
|  | Amount in Rs  | Amount in Rs                           |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |   |  |
| Net profit before Tax and Interest   | 573.55  | 426.29                                 |
| <b>Adjustment to reconcile Profit Before Tax to Net Cash Flows</b>                     |   |  |
| Interest Received  | (16.42)   | (7.68)                                 |
| Finance Cost( Fair value change in Financial Instruments)                              | (167.24)  | (125.99)                               |
| Finance Income ( Fair value change in Financial Instruments)                           | 163.71  | 162.65                                 |
| Depreciation and Amortisation  | 134.32  | 110.75                                 |
| Profit on sale of Fixed Assets   | (0.81)  | (4.54)                                 |
| <b>Operating profit before working capital changes</b>                                 | <b>687.11</b>   | <b>561.48</b>                          |
| <b>Adjustments for:</b>  |   |  |
| Trade receivables  | (283.78)  | 37.76                                  |
| Inventories  | (300.64)  | (51.88)                                |
| Other Current Assets   | (57.30)   | 354.05                                 |
| Other Financial Assets   | (44.54)   | (58.91)                                |
| Income tax Assets  | (13.67)   | (42.40)                                |
| Trade Payables   | 26.31   | (12.65)                                |
| Current Financial liabilities- Provisions  | 50.28   | 78.82                                  |
| Other Current Liabilities  | 199.07  | 145.74                                 |
| Non- Current Financial liabilities- Provisions   | 44.10   | (0.22)                                 |
| Other non current liabilities  | 22.05   | 11.00                                  |
| <b>Cash generated from operations</b>  | <b>(358.12)</b>   | <b>461.31</b>                          |
| Net income tax (paid) / refunds  | (125.70)  | (37.00)                                |
| <b>Net cash from operating activities A</b>  | <b>203.29</b>   | <b>985.79</b>                          |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |   |  |
| Purchase of Fixed assets(Including Capital Work in progress)                           | (111.34)  | (618.25)                               |
| Disposal of Fixed Assets   | 3.16  | 6.94                                   |
| Loans to Subsidiaries  | (34.00)   | (118.18)                               |
| Interest Received  | 16.42   | 7.68                                   |
| <b>Net cash used in Investing activities B</b>   | <b>(125.76)</b>   | <b>(721.81)</b>                        |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |   |  |
| Proceeds of long term loan   | 900.09  | 1,320.93                               |
| Proceeds of Equity Capital   | 2,815.01  | -                                      |
| Net Increase/(Decrease) in Working Capital Borrowings                                  | (1,504.61)  | (952.23)                               |
| Finance Cost   | (446.44)  | (482.20)                               |
| <b>Net cash from financing activities C</b>  | <b>1,764.05</b>   | <b>(113.50)</b>                        |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>                  | <b>1,841.58</b>   | <b>150.48</b>                          |
| Cash & Cash Equivalents at Beginning of year   | 437.91  | 287.43                                 |
| Cash & Cash Equivalents at End of year   | 2,279.49  | 437.91                                 |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>                          | <b>1,841.58</b>   | <b>150.48</b>                          |
| The accompanying notes form an integral part of these financial instruments.           |   |  |
| In terms of our report attached.   |   |  |
| <b>For Maharaj Rajan &amp; Mathew</b><br>Chartered Accountants<br>FIRM REGN NO 0079205 | For and on behalf of the Board of Directors<br><b>KERALA AYURVEDA LIMITED</b> |  |
| Sd/-<br><b>Mathew Joseph FCA</b><br>Partner<br>MEM NO 22658                            | Sd/-<br><b>Ramesh Vangal</b><br>Chairman                                      |  |
| Place : Athani<br>Date : 29th May 2024   | Sd/-<br><b>Jyothi Gulecha</b><br>Company Secretary                            | Sd/-<br><b>George KT</b><br>CFO        |

## Notes to Financial Statements

### 1. General Information/Corporate Information

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

### 2. Significant Accounting Policies:

#### a. Basis of Preparation and Presentation of Financial Statements

##### i. *Accounting Convention*

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

##### ii. *Historical Cost Convention*

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

##### iii. *Use of Estimates*

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

##### iv. *Fair Valuation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

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

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### b. Current v/s Non-Current Classification

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

- It is expected to be realised or intended to be sold or consumed in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- The Company classifies all other assets as noncurrent.

A liability is current when:

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

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

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

### c. Property, Plant & Equipment

#### *i. Property, Plant and Equipment*

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

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

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

#### *ii. Intangible Assets*

Internally generated goodwill is not recognised as an asset. Regarding other internally generated intangible assets:

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

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

### **iii. Biological Assets**

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

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

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

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

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

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

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

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

### **v. Derecognition**

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

**d. Impairment of Non-Financial Assets**

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

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

**e. Financial Instrument**

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

**i. Financial Assets**

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition. After initial recognition all financial assets (other than investments in subsidiaries and joint ventures, other equity investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method. The Company has not designated any financial asset as Fair Value through Profit or Loss (FVTPL). A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets, (i.e. the shortfall between all contractual cash flows that are due and all the cash flows (discounted) that the entity expects to receive).

**Investments in Subsidiaries and Joint Ventures:**

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

**ii. Financial Liabilities**

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

**f. Inventories**

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

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

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

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

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

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

**g. Trade Receivables**

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

**h. Provisions**

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

**i. Cash and Cash Equivalents**

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

**j. Income Tax**

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

**i. Current Income Tax**

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

**ii. Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

**iii. Minimum Alternate Tax**

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

**k. Revenue Recognition**

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

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

**Other Operating Revenue**

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

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

**l. Rent Deposit**

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

**m. Properties Taken on Lease**

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

**n. Capital Work in Progress**

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

**o. Other Income**

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

p. **Employee Benefits**

i. **Short-term benefits:**

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

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

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

**Gratuity**

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

**Provident fund**

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

The basis for determination of liability is as under:

| Particulars   | Gratuity                     |                              |
|---|------------------------------|------------------------------|
|   | Current year                 | Previous year                |
| <b>Change in present value of obligation</b>                    |                              |                              |
| 1. Present value of the obligation at the beginning of the year | 529.53                       | 533.30                       |
| 2. Current service cost   | 35.61                        | 36.85                        |
| 3. Interest on defined benefit obligation                       | 36.72                        | 34.40                        |
| 4. Actuarial (gain)/loss  | 31.36                        | -52.93                       |
| 5. Benefits paid  | -41.51                       | -22.09                       |
| 6. Present value of obligation at the end of the year           | 591.71                       | 529.53                       |
| <b>Liability recognized in the Financial statements</b>         |                              |                              |
| Long term   | 500.63                       | 456.53                       |
| Short term  | 91.08                        | 73.00                        |
| Costs for the year  |                              |                              |
| <b>Change in the present value of obligation</b>                |                              |                              |
| 1. Current service cost   | 35.60                        | 36.86                        |
| 2. Interest Cost  | 36.73                        | 34.41                        |
| 3. Actuarial (gain)/loss  |                              | -                            |
| 4. Total Expenses   | 72.33                        | 71.27                        |
| <b>Main Actuarial Assumptions</b>                               |                              |                              |
| Discount rate(p.a)  | 7.20%                        | 6.95%                        |
| Salary escalation rate (p.a)                                    | 8.00%                        | 8.00%                        |
| Method  | Projected Unit Credit Method | Projected Unit Credit Method |

q. **Finance Costs**

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

r. **Foreign Currency Transactions**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are



retranslated at the rates prevailing at that date and recognised in profit or loss in the period in which they arise.

**s. Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

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

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity.

**3. Fair Value Measurement**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**Financial Instruments - Fair Values and Risk Management**

**A. Accounting Classification and Fair Values**

| 2024                                     | Carrying Amt   |                |          |                | Fair Value    |                |          |
|--|----------------|----------------|----------|----------------|---------------|----------------|----------|
|  | Amortised Cost | FVTPL          | FVTOCI   | Total          | Level 1       | Level 2        | Level 3  |
| <b>Non-Current Financial Assets</b>      |                |                |          |                |               |                |          |
| Investments                              |                |                |          |                |               |                |          |
| Non-Trade (Unquoted)                     | 2.63           | -              | -        | 2.63           | -             | 2.63           | -        |
| Non-Trade (Quoted)                       | 0.28           | -              | -        | 0.28           | -             | 0.28           | -        |
| Loans                                    | -              | 1800.36        | -        | 1800.36        | -             | 1800.36        | -        |
| Other Financial Assets                   | 713.91         | -              | -        | 713.91         | 713.91        | -              | -        |
| <b>Current Financial Asset</b>           |                |                |          |                |               |                |          |
| Trade Receivable                         | 1579.89        | -              | -        | 1579.89        | 1579.89       | -              | -        |
| Cash and Cash Equivalent                 | 2279.5         | -              | -        | 2279.50        | 2279.50       | -              | -        |
|  | <b>4576.21</b> | <b>1800.36</b> | <b>-</b> | <b>6376.57</b> | <b>4573.3</b> | <b>1803.27</b> | <b>-</b> |
| <b>Non-Current Financial Liabilities</b> |                |                |          |                |               |                |          |
| Borrowings                               | 2902.93        | -              | 3038.76  | 5941.69        | 2902.93       | 3038.76        | -        |

|                   |                |   |                |                |                |                |   |
|-------------------|----------------|---|----------------|----------------|----------------|----------------|---|
| Current Financial |                |   |                |                |                |                |   |
| Borrowings        | 816.09         | - | -              | 816.09         | 816.09         | -              | - |
| Trade Payables    | 776.79         | - | -              | 776.79         | 776.79         | -              | - |
|                   | <b>4495.81</b> | - | <b>3038.76</b> | <b>7534.57</b> | <b>4495.81</b> | <b>3038.76</b> | - |

| 2023                                     | Carrying Amt   |                |               |                | Fair Value     |                |         |
|--|----------------|----------------|---------------|----------------|----------------|----------------|---------|
|  | Amortised Cost | FVTPL          | FVTOCI        | Total          | Level 1        | Level 2        | Level 3 |
| <b>Non-Current Financial Assets</b>      |                |                |               |                |                |                |         |
| Investments                              |                |                |               |                |                |                |         |
| Non-Trade (Unquoted)                     | 2.63           | -              | -             | 2.63           | -              | 2.63           | -       |
| Non-Trade (Quoted)                       | 0.28           | -              | -             | 0.28           | -              | 0.28           | -       |
| Loans                                    | -              | 1772.81        | -             | 1772.81        | -              | 1772.81        | -       |
| Other Financial Assets                   | 669.37         | -              | -             | 669.37         | 669.37         | -              | -       |
| <b>Current Financial Asset</b>           |                |                |               |                |                |                |         |
| Trade Receivable                         | 1296.12        | -              | -             | 1296.12        | 1296.12        | -              | -       |
| Cash and Cash Equivalent                 | 437.91         | -              | -             | 437.91         | 437.91         | -              | -       |
|  | <b>2406.31</b> | <b>1772.81</b> | -             | <b>4179.12</b> | <b>2403.4</b>  | <b>1775.72</b> | -       |
| <b>Non-Current Financial Liabilities</b> |                |                |               |                |                |                |         |
| Borrowings                               | 2214.9         | -              | 2826.7        | 5041.6         | 2214.9         | 2826.7         | -       |
| <b>Current Financial</b>                 |                |                |               |                |                |                |         |
| Borrowings                               | 2320.69        | -              | -             | 2320.69        | 2320.69        | -              | -       |
| Trade Payables                           | 750.49         | -              | -             | 750.49         | 750.49         | -              | -       |
|  | <b>5286.08</b> | -              | <b>2826.7</b> | <b>8112.78</b> | <b>5286.08</b> | <b>2826.7</b>  | -       |

Discounting value is based on risk free return applicable in India with new adjustments towards the investments made by the company in its subsidiaries.

#### B. Measurement of fair values

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

#### C. Financial risk management

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

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

**i. Risk management framework**

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

**ii. Credit risk**

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

**iii. Liquidity Risk**

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

**Kerala Airways Limited**  
Note 4: Property, Plant and Equipment.

| Particulars                                     | Amount in Lakhs |          |                    |                      |                     |                   |                        |          |                    |          |                                |                           |                                      |                  |          |                   |          |             |
|---|-----------------|----------|--------------------|----------------------|---------------------|-------------------|------------------------|----------|--------------------|----------|--------------------------------|---------------------------|--------------------------------------|------------------|----------|-------------------|----------|-------------|
|   | Land            | Building | Building Temporary | Furniture & Fixtures | Electrical fittings | Office equipments | Computer & Accessories | Vehicle  | Other fixed assets | Total    | Web & Software development Exp | Project Plant expenditure | Project Development related Expenses | Preoperative Exp | Buildout | Contract Inv. Dep | Total    | Capital W/P |
| <b>A. Cost</b>                                  |                 |          |                    |                      |                     |                   |                        |          |                    |          |                                |                           |                                      |                  |          |                   |          |             |
| Balance as at 1st April 2023                    | 1,227.19        | 1,807.49 | 268.88             | 682.08               | 68.22               | 442.75            | 1,407.9                | 170.29   | 24.04              | 4,613.83 | 1,211.07                       | 0.87                      | 85.11                                | 5.01             | 12.14    | 13.09             | 1,342.59 | 94.88       |
| During the year 2023                            | -               | 10.30    | -                  | 7.38                 | 2.70                | 20.72             | 6.40                   | 19.60    | 0.88               | 101.38   | 9.95                           | -                         | -                                    | -                | -        | -                 | 9.95     | -           |
| Disposal  | -               | -        | -                  | 0.18                 | -                   | -                 | 5.08                   | -        | 3.88               | 8.12     | -                              | -                         | -                                    | -                | -        | -                 | -        | 2.00        |
| Effect of foreign currency exchange differences | -               | -        | -                  | -                    | -                   | 0.21              | 0.05                   | 0.08     | -                  | 0.44     | 0.65                           | -                         | 0.19                                 | 0.00             | -        | -                 | 1.37     | 2.30        |
| Cost as on 31st March 2024                      | 1,227.19        | 1,817.79 | 268.88             | 689.06               | 69.17               | 473.71            | 1,413.77               | 198.17   | 28.04              | 4,795.63 | 1,221.01                       | 0.87                      | 85.30                                | 5.01             | 12.14    | 13.09             | 1,352.02 | 96.88       |
| <b>Depreciation &amp; Impairment</b>            |                 |          |                    |                      |                     |                   |                        |          |                    |          |                                |                           |                                      |                  |          |                   |          |             |
| Balance as at 1st April 2023                    | -               | 122.56   | 238.29             | 387.42               | 66.16               | 335.17            | 1,083.84               | 1,401.16 | 1.64               | 2,135.65 | 98.99                          | -                         | 14.87                                | -                | 27.2     | 41.04             | 131.72   | -           |
| Provision made during the year                  | -               | 40.17    | -                  | 21.55                | 2.76                | 10.14             | 7.02                   | 9.44     | 0.33               | 110.49   | 3.49                           | -                         | 7.79                                 | -                | 0.73     | 6.53              | 21.81    | -           |
| Disposal  | -               | -        | -                  | -                    | -                   | -                 | 5.08                   | -        | 3.00               | 8.77     | -                              | -                         | -                                    | -                | -        | -                 | -        | -           |
| Effect of foreign currency exchange differences | -               | -        | -                  | -                    | -                   | 0.15              | 0.07                   | 0.08     | -                  | 0.30     | 0.27                           | -                         | 0.08                                 | -                | -        | -                 | -        | -           |
| Balance as at 31st March 2024                   | -               | 162.73   | 238.29             | 408.97               | 68.92               | 445.46            | 1,097.76               | 1,407.77 | 1.64               | 2,264.70 | 102.73                         | -                         | 22.74                                | -                | 27.93    | 47.57             | 153.53   | 0.35        |
| <b>Carrying Value</b>                           |                 |          |                    |                      |                     |                   |                        |          |                    |          |                                |                           |                                      |                  |          |                   |          |             |
| As at 1st April 2023                            | 1,227.19        | 1,684.93 | 140.59             | 144.92               | 15.10               | 67.58             | 266.84                 | 268.69   | 26.40              | 2,395.14 | 1,142.08                       | 0.87                      | 24.42                                | 5.01             | 8.86     | 11.66             | 94.88    | -           |
| As at 31st March 2024                           | 1,227.19        | 1,655.06 | 140.59             | 144.09               | 15.15               | 67.59             | 160.69                 | 167.69   | 26.40              | 2,339.69 | 1,144.46                       | 0.87                      | 12.16                                | 5.01             | 24.02    | 11.66             | 95.23    | -           |

Note: Board Meeting held on 31<sup>st</sup> August 2022 passed a resolution to partially repay the loan outstanding of Rs. 19,24,96,646.22 from the a/c of the Company to the shareholders of the Company. The same amount was paid on 25<sup>th</sup> September, 2022. The said amount was repaid by the shareholders of the Company on 25<sup>th</sup> September, 2022.

## Kerala Ayurveda Limited

Notes forming part of the financial statements for the year ended 31st Mar, 2024

| Note No                     | Particulars   | As at 31st March 2024 | As at 31st March 2023 |
|-----------------------------|---|-----------------------|-----------------------|
|                             |   | Amount in Rs.         | Amount in Rs.         |
| 5                           | <b><u>Non Current Investments</u></b>   |                       |                       |
|                             | Non Trade (Quoted, At cost)   |                       |                       |
|                             | 500 equity shares of Rs 10 each fully paid up in Canara Bank Ltd(Quoted)<br>Market Value Rs 228.75 last Year Rs 152 per share | 0.28                  | 0.28                  |
|                             | Non Trade (Unquoted, At cost)   |                       |                       |
|                             | 14 Equity Shares of Rs. 10000/- each in Confederation for Ayurvedic Renaissance Keralam Pvt Ltd<br>C M S Katra Nursing LLC    | 2.63                  | 2.63                  |
|                             | <b>Total</b>  | <b>2.91</b>           | <b>2.91</b>           |
|                             | Market Value of Quoted Investments  | 1.14                  | 1.14                  |
|                             | Aggregate amount of Unquoted Investments  | 2.63                  | 2.63                  |
| 6                           | <b><u>Financial assets-Loans</u></b>  |                       |                       |
|                             | <b><u>Loans to Subsidiaries</u></b>   |                       |                       |
|                             | Loans to Katra Finance Ltd, Mauritius   | 1,800.36              | 1,772.81              |
|                             | Others  | 8.92                  | 2.46                  |
|                             | <b>Total</b>  | <b>1,809.28</b>       | <b>1,775.27</b>       |
| 7                           | <b><u>Financial assets-Other financial assets</u></b>   |                       |                       |
|                             | Deposits with Govt. Authorities   | 13.29                 | 13.06                 |
|                             | Deposits with others  | 371.05                | 352.37                |
|                             | Bank Deposits with Original maturity more than 12 Months  | 16.75                 | 17.23                 |
|                             | Deferred Product Development Expenditure  | 226.35                | 286.71                |
|                             | 86.48   | -                     |                       |
|                             | <b>Total</b>  | <b>713.92</b>         | <b>669.37</b>         |
| 8                           | <b><u>Income Tax assets(net)</u></b>  |                       |                       |
|                             | Income Tax advance  | 52.95                 | 45.55                 |
|                             | MAT credit Entitlement  | 180.93                | 174.66                |
|                             | <b>Total</b>  | <b>233.88</b>         | <b>220.21</b>         |
| 9                           | <b><u>Inventories</u></b>   |                       |                       |
|                             | Finished Goods  | 760.56                | 513.56                |
|                             | Goods in transit  | 4.01                  | 12.66                 |
|                             | Furnace Oil   | 0.91                  | 4.74                  |
|                             | Packing Material  | 83.71                 | 119.11                |
|                             | Raw Material  | 123.90                | 70.16                 |
|                             | Stores & Spares   | 2.07                  | 2.38                  |
|                             | Work in Progress  | 251.62                | 203.53                |
| WIP Nurse Training Deferred | 323.22  | 323.22                |                       |
|                             | <b>Total</b>  | <b>1,550.00</b>       | <b>1,249.36</b>       |
| 10                          | <b><u>Financial assets- Trade receivables</u></b>   |                       |                       |
|                             | Unsecured, considered good  | 1,373.87              | 1,081.65              |
|                             | Katra Finance Limited MAURITIUS   | 206.02                | 205.02                |
|                             | Katra Holdings Private Limited  | -                     | 9.45                  |
|                             | <b>Total</b>  | <b>1,579.89</b>       | <b>1,296.12</b>       |
| 11                          | <b><u>Cash and cash equivalents</u></b>   |                       |                       |
|                             | Cash on hand  | 7.80                  | 8.14                  |
|                             | Deposits with maturity less than 3 months   | 1,400.00              | -                     |
|                             | Balances with banks   |                       |                       |
|                             | In Current accounts   | 837.33                | 408.91                |
| Credit card Collection Due  | 34.31   | 20.84                 |                       |
|                             | <b>Total</b>  | <b>2,279.44</b>       | <b>437.89</b>         |
| 12                          | <b><u>Other Current Assets</u></b>  |                       |                       |
|                             | Advance for Purchase  | 96.12                 | 43.04                 |
|                             | Other Advances  | 227.17                | 207.33                |
|                             | Advance to employees  | 17.85                 | 9.90                  |
|                             | Prepaid expense   | 258.20                | 281.78                |
|                             | <b>Total</b>  | <b>599.34</b>         | <b>542.05</b>         |

## Kerala Ayurveda Limited

Notes forming part of the financial statements for the year ended 31st March 2024

| Note No | Particulars  | As at 31st March 2024                         |                                   | As at 31st March, 2023 |                                   |
|---------|--|---|-----------------------------------|------------------------|-----------------------------------|
|         |  | Number of shares                              | In Rs                             | Number of shares       | In Rs                             |
| 13      | <b>Share capital</b>   |   |                                   |                        |                                   |
|         | (a) Authorised Capital   |   |                                   |                        |                                   |
|         | Equity shares of Rs 10/- each with voting rights   | 1,50,00,000                                   | 15,00,00,000                      | 1,20,00,000            | 12,00,00,000                      |
|         | (b) Issued Capital   |   |                                   |                        |                                   |
|         | Equity shares of Rs 10/- each with voting rights   | 1,20,32,451                                   | 12,03,24,510                      | 1,05,55,670            | 10,55,56,700                      |
|         | (c) Subscribed and fully paid up   |   |                                   |                        |                                   |
|         | Equity shares of Rs 10/- each with voting rights   | 1,20,32,451                                   | 12,03,24,510                      | 1,05,55,670            | 10,55,56,700                      |
|         | <b>Total</b>   | <b>1,20,32,451</b>                            | <b>12,03,24,510</b>               | <b>1,05,55,670</b>     | <b>10,55,56,700</b>               |
|         | <b>Notes:</b>  |   |                                   |                        |                                   |
|         | <b>(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>  |   |                                   |                        |                                   |
|         | Particulars  | Opening Balance                               | Fresh issue                       | Buy back               | Closing Balance                   |
|         | Equity shares with voting rights   |   |                                   |                        |                                   |
|         | Year ended 31st March, 2024  |   |                                   |                        |                                   |
|         | - Number of shares   | 1,05,55,670                                   | 14,76,781                         |                        | 1,20,32,451                       |
|         | - Amount (In Rs.)  | 10,55,56,700                                  | 1,47,67,810                       |                        | 12,03,24,510                      |
|         | Year ended 31st March, 2023  |   |                                   |                        |                                   |
|         | - Number of shares   | 1,05,55,670                                   | -                                 | -                      | 1,05,55,670                       |
|         | - Amount (In Rs.)  | 10,55,56,700                                  | -                                 | -                      | 10,55,56,700                      |
|         | <b>(ii) Rights, Preferences and restrictions attached to Equity Shares:</b>  |   |                                   |                        |                                   |
|         | 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. |   |                                   |                        |                                   |
|         | <b>(iii) Details of shares held by each shareholder holding more than 5% shares:</b>   |   |                                   |                        |                                   |
|         | Class of shares / Name of shareholder  | As at 31st March 2024                         |                                   | As at 31st March, 2023 |                                   |
|         |  | Number of shares held                         | % holding in that class of shares | Number of shares held  | % holding in that class of shares |
|         | Equity shares with voting rights   |   |                                   |                        |                                   |
|         | Katra Holdings Ltd   | 64,93,435                                     | 53.97%                            | 64,93,435              | 61.52%                            |
|         | PORINJU VELIYATH   | 6,23,000                                      | 5.18%                             | -                      | 0.00%                             |
|         | <b>(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:</b>  |   |                                   |                        |                                   |
|         | Particulars  | Equity shares with voting rights-No of Shares |                                   |                        |                                   |
|         |  | Opening Balance                               | Fresh issue                       | Buy back               | Closing Balance                   |
|         | As at 31st March, 2024   |   |                                   |                        |                                   |
|         | M/s Katra Holdings Ltd, the holding company  | 64,93,435                                     |                                   |                        | 64,93,435                         |
|         | As at 31st March, 2023   |   |                                   |                        |                                   |
|         | M/s Katra Holdings Ltd, the holding company  | 64,93,435                                     |                                   |                        | 64,93,435                         |

| Kerala Ayurveda Limited  |  |                       |                       |
|--|--|-----------------------|-----------------------|
| Notes forming part of the financial statements for the year ended 31st Mar, 2024 |  |                       |                       |
| Note No  | Particulars  | As at 31st March 2024 | As at 31st March 2023 |
|  |  | Amount in Rs.         | Amount in Rs.         |
| 14   | <b>Other Equity</b>  |                       |                       |
|  | Capital Reserve  | 45.42                 | 45.42                 |
|  | Share Premium  | 3,812.48              | 1,145.15              |
|  | General reserve  | 17.98                 | 17.98                 |
|  | Surplus / (Deficit) in Statement of Profit and Loss  |                       |                       |
|  | At the commencement of the year  | (1,706.53)            | (1,653.14)            |
|  | Add: Profit for the year   | (156.25)              | (53.39)               |
|  | Net Surplus / (Deficit) in the Statement of Profit and Loss  | (1,862.78)            | (1,706.53)            |
|  | <b>Total</b>   | <b>2,013.10</b>       | <b>(497.98)</b>       |
| 15   | <b>Financial Liabilities- Borrowings (Non Current)</b>   |                       |                       |
|  | Term loans   |                       |                       |
|  | SBM Bank   | 800.00                | 24.97                 |
|  | <i>(Credit Facilities from SBM Bank India Ltd are secured Against exclusive charge on entire current assets of the Company both present and future, Collateral in the form of equitable mortgage of property belonging to Ayurvedagram Heritage Wellness and mortgage of land belonging to Chairman situated at Bangalore along with personal guarantee of Chairman)</i> |                       |                       |
|  | Katra Holding Pvt Ltd  | 3,038.76              | 2,826.70              |
|  | Katra Finance Limited  | 520.37                | 517.85                |
|  | Katra Phytochem India Private Ltd  | 1,325.24              | 1,191.36              |
|  | Unsecured Loan from Financial Institutions   | 257.32                | 480.72                |
|  | <b>Total</b>   | <b>5,941.69</b>       | <b>5,041.60</b>       |
| 16   | <b>Financial Liabilities-Provisions (Non Current)</b>  |                       |                       |
|  | Provision for Gratuity   | 500.63                | 456.53                |
|  | <b>Total</b>   | <b>500.63</b>         | <b>456.53</b>         |
| 17   | <b>Other Long-Term Liabilities</b>   |                       |                       |
|  | Deposits Received from Business associates   | 56.56                 | 34.50                 |
|  | <b>Total</b>   | <b>56.56</b>          | <b>34.50</b>          |
| 18   | <b>Financial Liabilities -Borrowings(Current)</b>  |                       |                       |
|  | Secured loan repayable on demand   |                       |                       |
|  | Kotak Mahindra Bank-Bangalore  | -                     | 0.60                  |
|  | SBM Bank   | 809.56                | 1,336.93              |
|  | <i>(Credit Facilities from SBM Bank India Ltd are secured Against exclusive charge on entire current assets of the Company both present and future, Collateral in the form of equitable mortgage of property belonging to Ayurvedagram Heritage Wellness and mortgage of land belonging to Chairman situated at Bangalore along with personal guarantee of Chairman)</i> |                       |                       |
|  | Unsecured loan repayable on demand   |                       |                       |
|  | NN FINCORP   | 6.53                  | -                     |
|  | ECL Finance Limited  | -                     | 983.16                |
|  | <b>Total</b>   | <b>816.09</b>         | <b>2,320.69</b>       |
| 19   | <b>Trade Payables</b>  |                       |                       |
|  | Sundry Creditors -MSME   | 77.15                 | 14.33                 |
|  | Sundry Creditors- RM andPM   | 356.71                | 409.59                |
|  | Sundry Creditors- Others   | 342.93                | 326.57                |
|  | <b>Total</b>   | <b>776.79</b>         | <b>750.49</b>         |
| 20   | <b>Other current liabilities</b>   |                       |                       |
|  | Other payables   |                       |                       |
|  | Advances from Customers  | 1,513.66              | 1,440.55              |
|  | Statutory Liabilities  |                       |                       |
|  | GST Payable  | 10.37                 | 10.62                 |
|  | TDS Payable  | 67.81                 | 114.66                |
|  | P F ,ESI & other statutory liability   | 24.71                 | 19.81                 |
|  | Current Maturities of Long Term Loans  | 200.51                | 65.32                 |
|  | Accrued Employee Liabilities   | 102.29                | 94.35                 |
|  | T A Payable  | 22.10                 | 16.11                 |
|  | Salary Payable   | 119.72                | 134.55                |
|  | Rent Payable   | 18.87                 | 15.14                 |
|  | Other Current Liabilities  | 83.49                 | 71.43                 |
|  | Provision for gratuity   | 91.08                 | 73.00                 |
|  | <b>Total</b>   | <b>2,254.61</b>       | <b>2,055.54</b>       |
| 21   | <b>Provision (Others)</b>  |                       |                       |
|  | Bonus Payable  | 54.88                 | 53.17                 |
|  | Privilage Leave Encashment Payable   | 16.64                 | 10.43                 |
|  | Provision for Taxation   | 121.42                | 79.06                 |
|  | <b>Total</b>   | <b>192.94</b>         | <b>142.66</b>         |

| Kerala Ayurveda Limited  |   |                      |                      |
|--|---|----------------------|----------------------|
| Notes forming part of the financial statements for the period ended 31st March, 2024 |   |                      |                      |
| Note No.   | Particulars   | For the period ended | For the period ended |
|  |   | 31st Mar'24          | 31st March'23        |
|  |   | Amount in Rs         | Amount in Rs         |
| 22   | <b>Revenue from Operations</b>  |                      |                      |
|  | (a) Sale of products  | 6,625.94             | 5,703.02             |
|  | (b) Sale of services  | 4,159.66             | 3,638.31             |
|  | <b>Total</b>  | <b>10,785.60</b>     | <b>9,341.33</b>      |
|  | <b>Sale of products comprises:</b>                                      |                      |                      |
|  | Sale of Products  | 6,625.94             | 5,703.02             |
|  | <b>Total</b>  | <b>6,625.94</b>      | <b>5,703.02</b>      |
|  | <b>Sale of services comprises:</b>                                      |                      |                      |
|  | Treatment Income  | 2,489.34             | 2,025.89             |
|  | Training Income   | 1,628.79             | 1,575.79             |
|  | Other Operational Income  | 41.53                | 36.63                |
|  | <b>Total</b>  | <b>4,159.66</b>      | <b>3,638.31</b>      |
| 23   | <b>Other Income</b>   |                      |                      |
|  | Other Income  | 35.14                | 20.98                |
|  | Interest Received   | 16.42                | 7.68                 |
|  | <b>Total</b>  | <b>51.56</b>         | <b>28.66</b>         |
| 24   | <b>Cost of materials consumed</b>                                       |                      |                      |
|  | <u>Raw Material</u>   |                      |                      |
|  | Opening stock   | 70.16                | 60.41                |
|  | Add: Purchases  | 1,751.94             | 1,336.69             |
|  | Less: Closing stock   | 123.90               | 70.16                |
|  | <b>(A)</b>  | <b>1,698.20</b>      | <b>1,326.94</b>      |
|  | <u>Packing Material</u>   |                      |                      |
|  | Opening Stock   | 119.11               | 89.60                |
|  | Add: Purchase   | 369.57               | 371.20               |
|  | Less: Closing Stock   | 83.71                | 119.11               |
|  | <b>(B)</b>  | <b>404.97</b>        | <b>341.69</b>        |
|  | <b>Cost of material consumed(A+B)</b>                                   | <b>2,103.17</b>      | <b>1,668.63</b>      |
| 25   | <b>Purchase of Stock In Trade</b>                                       |                      |                      |
|  | Purchase of Medicines   | 427.24               | 328.31               |
|  | <b>Total</b>  | <b>427.24</b>        | <b>328.31</b>        |
| 26   | <b>Changes in inventories of stock of F G, WIP &amp; Stock in trade</b> |                      |                      |
|  | <b>Inventories at the end of the year</b>                               |                      |                      |
|  | Stock of FG,WIP & Stock in Trade  | 800.92               | 466.16               |
|  | <b>Inventories at the beginning of the year</b>                         |                      |                      |
|  | Stock of FG,WIP & Stock in Trade  | 466.16               | 474.24               |
|  | <b>Net (increase) / decrease</b>  | <b>(334.76)</b>      | <b>8.08</b>          |
| 27   | <b>Employee benefits expense</b>  |                      |                      |
|  | Salaries and wages  | 2,966.17             | 2,460.14             |
|  | Contribution to Provident Fund  | 103.26               | 99.87                |
|  | Staff welfare expenses  | 357.33               | 251.59               |
|  | <b>Total</b>  | <b>3,426.76</b>      | <b>2,811.60</b>      |



| Kerala Ayurveda Limited  |  |                      |                      |
|--|--|----------------------|----------------------|
| Notes forming part of the financial statements for the period ended 31st March, 2024 |  |                      |                      |
| Note No.   | Particulars  | For the period ended | For the period ended |
|  |  | 31st Mar'24          | 31st March'23        |
|  |  | Amount in Rs         | Amount in Rs         |
| <b>28</b>  | <b>Finance costs</b>   |                      |                      |
|  | Interest expenses on Working Capital   | 303.87               | 449.78               |
|  | Interest expenses on Others  | 142.57               | 32.42                |
|  | <b>Total</b>   | <b>446.44</b>        | <b>482.20</b>        |
| <b>29</b>  | <b>Depreciation expense</b>  |                      |                      |
|  | Depreciation   | 127.06               | 110.03               |
|  | Amortisation   | 7.26                 | 0.72                 |
|  | <b>Total</b>   | <b>134.32</b>        | <b>110.75</b>        |
| <b>30</b>  | <b>Other expenses</b>  |                      |                      |
|  | Rent   | 448.45               | 393.33               |
|  | Bank Charges   | 19.26                | 37.16                |
|  | Rates and Taxes  | 66.72                | 28.82                |
|  | Legal & Professional charges   | 260.80               | 277.76               |
|  | Directors Sitting Fee  | 11.50                | 6.55                 |
|  | Research and Development Expenses  | 75.61                | 36.16                |
|  | Travelling -Others   | 112.51               | 74.55                |
|  | Repairs & Maintenance- Others  | 42.97                | 53.54                |
|  | Vehicle Maintenance  | 3.90                 | 3.50                 |
|  | Insurance  | 35.35                | 29.54                |
|  | Printing & Stationery  | 39.30                | 44.48                |
|  | Postage & Telephone  | 95.78                | 88.56                |
|  | Secretarial Expenses   | 13.94                | 19.76                |
|  | Repairs to Building  | 1.26                 | 7.32                 |
|  | Conveyance Expenses  | 0.38                 | 0.33                 |
|  | Canteen Expenses   | 18.69                | 15.21                |
|  | Electricity charges (Branches/Depot)   | 31.32                | 25.45                |
|  | Other Administrative Expenses  | 309.30               | 222.54               |
|  | Internal Audit fee   | 0.50                 | 0.50                 |
|  | Audit fee  | 4.50                 | 5.00                 |
|  | Travelling-Sales Staff   | 206.22               | 193.39               |
|  | Advertisements   | 3.82                 | 3.50                 |
|  | Commission & Discount  | 107.79               | 113.36               |
|  | Training Expenses  | 5.05                 | 2.99                 |
|  | Freight Outward  | 149.58               | 131.89               |
|  | Sales promotion exp  | 439.47               | 434.17               |
|  | Other Selling & Distribution Expenses  | 259.31               | 302.19               |
|  | Fuel Consumed  | 155.22               | 149.37               |
|  | Electricity charges  | 48.35                | 47.98                |
|  | Repairs to Plant & Machinery   | 21.11                | 21.31                |
|  | Repairs to Building  | 57.80                | 36.95                |
|  | Job Works  | 283.37               | 238.22               |
|  | Other Manufacturing Expenses   | 47.16                | 32.55                |
|  | Cultivation Expenses   | 3.71                 | 3.29                 |
|  | Indirect Taxes   | 510.45               | 417.49               |
|  | Treatment Expenses   | 445.01               | 451.66               |
|  | <b>Total</b>   | <b>4,335.46</b>      | <b>3,950.37</b>      |
|  | <b>(i) Payments to the auditors comprises (net of service tax input credit, where applicable):</b> |                      |                      |
|  | As auditors - Statutory audit & Tax Audit  | 4.50                 | 5.00                 |
|  | Reimbursement of expenses  | 1.15                 | 0.83                 |
|  | <b>Total</b>   | <b>5.65</b>          | <b>5.83</b>          |

| Kerala Ayurveda Limited  |   |  |                         |
|--|---|--|-------------------------|
| Notes forming part of the financial statements for the year ended 31st March, 2024 |   |  |                         |
|  |   |  | Rs. in Lakhs            |
| Note   | Particulars   | 31st March, 2024                                     | 31st March, 2023        |
| 31   | <b>Earnings In Foreign Currency</b>   |  |                         |
|  | Export of Medicine  | 127.51   | 89.13                   |
|  | <b>Total</b>  | <b>127.51</b>  | <b>89.13</b>            |
|  | <b>Expenditure in Foreign Currency :</b>  |  |                         |
|  | Import of Packing Material  | 7.20   | 26.40                   |
|  | <b>Total</b>  | <b>7.20</b>  | <b>26.40</b>            |
| 32   | <b>Managerial Remuneration</b>  |  |                         |
|  | To the Whole Time Director  |  |                         |
|  | Salary  | 15.36  | 15.36                   |
|  | Other Allowances  | 15.24  | 15.24                   |
|  | <b>Total</b>  | <b>30.60</b>   | <b>30.60</b>            |
| 33   | <b>Related Party Disclosure under Ind Accounting Standard 24:</b>                                   |  |                         |
|  | <b>A. Names of related parties and nature of related party relationships</b>                        |  |                         |
|  | <b>Description of relationship</b>  | <b>Names of related parties</b>                      |                         |
|  | Holding Company   | Katra Holdings Ltd, Mauritius                        |                         |
|  |   | Ayurvedagram Heritage Wellness Centre Pvt Ltd        |                         |
|  |   | Suveda Inc   |                         |
|  | Subsidiary Companies  | Ayu Natural Medicine Clinic PS, USA                  |                         |
|  |   | Ayurvedic Academy Inc., USA                          |                         |
|  |   | Nutraveda Pte Ltd                                    |                         |
|  |   | CMS Katra Holdings LLC, USA                          |                         |
|  |   | CMS Katra Nursing LLC, USA                           |                         |
|  |   | All Seasons Herbs Pvt. Ltd.                          |                         |
|  | Companies where Promoter Director is having control/significant influence                           | KAL Ayurveda Research & Education Foundation         |                         |
|  |   | Katra Holding Pvt. Ltd.                              |                         |
|  |   | S R Pharmaceuticals                                  |                         |
|  |   | Katra Phytochem India Pvt. Ltd.                      |                         |
|  |   | Confederation for Ayurvedic Renaissance Keralam Ltd. |                         |
|  |   | Mason & Summers Leisure Pvt. Ltd.                    |                         |
|  |   | Dr K Anil Kumar, Whole time Director                 |                         |
|  | Director/Key Managerial Person  | Mr George KT, CFO                                    |                         |
|  |   | Ashitha BR, Company Secretary                        |                         |
|  |   | Ms Jyothi Gulecha, Company Secretary                 |                         |
|  | Note: Related parties have been identified by the Management.                                       |  |                         |
|  | Loans given to Subsidiary companies under the old companies act and are in the process of repayment |  |                         |
|  | <b>B. Transaction with Related Parties</b>  |  |                         |
|  | <b>Particulars</b>  | <b>31st March, 2024</b>                              | <b>31st March, 2023</b> |
|  | <b>Loan Received from Related Party</b>   |  |                         |
|  | Ayurvedagram Heritage Wellness Centre Pvt Ltd   | 307.70   | 244.00                  |
|  | Katra Holding Pvt. Ltd.   | 123.25   | 1,017.00                |
|  | Katra Phytochem India Pvt. Ltd.   | 884.44   | 1,282.69                |
|  | <b>Repayment of Loan to Related Party</b>   |  |                         |
|  | Ayurvedagram Heritage Wellness Centre Pvt Ltd   | 380.20   | 22.00                   |
|  | Katra Holding Pvt. Ltd.   | 61.00  | 800.00                  |
|  | Katra Phytochem India Pvt. Ltd.   | 36.37  | 115.55                  |
|  | <b>Interest Expenses on Loan from Related Party</b>   |  |                         |
|  | Katra Phytochem India Pvt. Ltd.   | 95.19  | 23.74                   |

|  |   |                                   |  |
|--|---|-----------------------------------|--|
| <b>Sales of Goods to Related Party</b>               |   |                                   |  |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | 70.40                                     | 92.67                             |  |
| Katra Phytochem India Pvt. Ltd.                      | -   | 3.86                              |  |
| KAL Ayurveda Research Foundation                     | 0.29                                      | 0.30                              |  |
| <b>Purchase Goods or Service from Related Party</b>  |   |                                   |  |
| All Seasons Herbs Pvt. Ltd.                          | 19.44                                     | 13.81                             |  |
| Katra Phytochem India Pvt. Ltd.                      | 11.58                                     | 17.82                             |  |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | -   | 8.38                              |  |
| <b>Expenses Paid on behalf of Related Party</b>      |   |                                   |  |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | 0.83                                      | 46.01                             |  |
| KAL Ayurveda Research Foundation                     | 0.11                                      | 0.78                              |  |
| Katra Phytochem India Pvt. Ltd.                      | -   | 0.20                              |  |
| <b>Expenses of company was paid by Related Party</b> |   |                                   |  |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | -   | 19.78                             |  |
| <b>Remuneration to Key Managerial Personnel</b>      |   |                                   |  |
| Dr K Anil Kumar, Whole time Director                 | 30.60                                     | 30.60                             |  |
| Mr. Vivek Sunder, CEO                                | 23.57                                     | -                                 |  |
| Mr George KT, CFO                                    | 16.27                                     | 12.90                             |  |
| Ms Ashitha BR, Company Secretary                     | -   | 2.12                              |  |
| Ms Jyothi Gulecha, Company Secretary                 | 6.05                                      | 0.44                              |  |
| <b>Closing Balance DR/ (CR)</b>                      |   |                                   |  |
| <b>Lending to Foreign Subsidiaries</b>               |   |                                   |  |
| CMS Katra Holdings LLC, USA                          | 774.46                                    | 723.80                            |  |
| <b>Other Balances</b>                                |   |                                   |  |
| Ayurvedagram Heritage Wellness Centre Pvt Ltd        | (253.02)                                  | (355.90)                          |  |
| All Seasons Herbs Pvt. Ltd.                          | (6.22)                                    | (5.80)                            |  |
| KAL Ayurveda Research Foundation                     | 2.44                                      | 1.67                              |  |
| Katra Holding Pvt. Ltd.                              | (3,038.76)                                | (2,826.70)                        |  |
| Katra Phytochem India Pvt. Ltd.                      | (1,325.24)                                | (1,191.36)                        |  |
| <b>34</b>  | <b>Deferred tax assets/ (liabilities)</b> |                                   |  |
|  | <b>Particulars</b>                        | <b>As at<br/>31st March, 2024</b> | <b>Movement<br/>As at<br/>31st March, 2023</b> |
|  | Book/Tax depreciation difference          | (87.27)                           | 0.86 (88.13)                                   |
|  | Provision for Gratuity                    | 143.21                            | 5.80 137.41                                    |
|  | Unabsorbed Depreciation Carried forward   | 18.00                             | (74.38) 92.38                                  |
|  | Deferred Product Development Expenses     | (94.53)                           | (19.98) (74.55)                                |
|  | Leave Encashment                          | 2.58                              | - 2.58   |
|  | <b>Total deferred tax Asset</b>           | <b>(18.01)</b>                    | <b>(87.70) 69.69</b>                           |

|  |  |  |                         |
|--|--|--|-------------------------|
| <b>35</b>  | <b>Earnings Per Share :</b>  |  |                         |
|  | <b>Particulars</b>   | <b>31st March, 2024</b>  | <b>31st March, 2023</b> |
|  | Net Profit /(Loss ) after Tax  | (156.25)   | (53.41)                 |
|  | Weighted Average Number of Shares outstanding during the year in Lakhs   | 110.36   | 105.56                  |
|  | Earnings Per Share (Rs.)   | (1.42)   | (0.51)                  |
|  | Nominal Value of Shares (Rs.)  | 10.00  | 10.00                   |
| <b>36</b>  | 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. |  |                         |
| <b>37</b>  | Previous year figures have been re-grouped / re-classified wherever necessary to correspond with the current year classification/Disclosure.   |  |                         |
| <p>In terms of our report attached.<br/> <b>For Maharaj Rajan &amp; Mathew</b><br/> Chartered Accountants<br/> FRN:001932S</p> <p>Sd/-<br/> <b>Mathew Joseph , B Com, FCA</b><br/> Proprietor<br/> MEM NO 022658</p> <p>Place : Athani<br/> Date : 29th May 2024</p> |  | <p>For and on behalf of the Board of Directors<br/> <b>KERALA AYURVEDA LIMITED,</b></p> <p>Sd/-<br/> <b>Ramesh Vangal</b><br/> Chairman</p> <p>Sd/-<br/> <b>Jyothi Gulecha</b><br/> Company Secretary</p> <p>Sd/-<br/> <b>George KT</b><br/> CFO</p> |                         |

**Trade Receivables Ageing Schedule**  
As on March 31, 2024

| Particulars                                       | Less than 6 months | 6 months - 1 year | 1 - 2 years   | 2 - 3 years  | More than 3 years | Total           |
|---|--------------------|-------------------|---------------|--------------|-------------------|-----------------|
| <b>i. Undisputed Trade Receivables</b>            |                    |                   |               |              |                   |                 |
| a. Considered Good                                | 1,031.46           | 184.35            | 175.92        | 25.67        | 116.05            | 1,533.46        |
| b. which have significant increase in credit risk | -                  | -                 | -             | -            | -                 | -               |
| c. credit impaired                                | -                  | -                 | -             | -            | -                 | -               |
| <b>ii. Disputed Trade Receivables</b>             |                    |                   |               |              |                   |                 |
| a. Considered Good                                | -                  | -                 | -             | -            | -                 | -               |
| b. which have significant increase in credit risk | 4.67               | -                 | 1.28          | 2.07         | 38.42             | 46.44           |
| c. credit impaired                                | -                  | -                 | -             | -            | -                 | -               |
| <b>Total</b>                                      | <b>1,036.13</b>    | <b>184.35</b>     | <b>177.20</b> | <b>27.74</b> | <b>154.47</b>     | <b>1,579.90</b> |

As on March 31, 2023

| Particulars                                       | Less than 6 months | 6 months - 1 year | 1 - 2 years  | 2 - 3 years  | More than 3 years | Total           |
|---|--------------------|-------------------|--------------|--------------|-------------------|-----------------|
| <b>i. Undisputed Trade Receivables</b>            |                    |                   |              |              |                   |                 |
| a. Considered Good                                | 636.26             | 289.93            | 47.57        | 22.92        | 265.88            | 1,262.56        |
| b. which have significant increase in credit risk | -                  | -                 | -            | -            | -                 | -               |
| c. credit impaired                                | -                  | -                 | -            | -            | -                 | -               |
| <b>ii. Disputed Trade Receivables</b>             |                    |                   |              |              |                   |                 |
| a. Considered Good                                | -                  | -                 | -            | -            | -                 | -               |
| b. which have significant increase in credit risk | -                  | -                 | 3.35         | -            | 30.21             | 33.56           |
| c. credit impaired                                | -                  | -                 | -            | -            | -                 | -               |
| <b>Total</b>                                      | <b>636.26</b>      | <b>289.93</b>     | <b>50.92</b> | <b>22.92</b> | <b>296.09</b>     | <b>1,296.12</b> |

**Trade Payables Ageing Schedule**

As on March 31, 2024

| Particulars               | Less than 1 year | 1 - 2 years  | 2 - 3 years  | More than 3 years | Total         |
|---------------------------|------------------|--------------|--------------|-------------------|---------------|
| <b>i. Undisputed dues</b> |                  |              |              |                   |               |
| a. MSME                   | 77.15            | -            | -            | -                 | 77.15         |
| b. Others                 | 630.80           | 21.30        | 16.41        | 31.15             | 699.65        |
| <b>ii. Disputed dues</b>  |                  |              |              |                   |               |
| a. MSME                   | -                | -            | -            | -                 | -             |
| b. Others                 | -                | -            | -            | -                 | -             |
| <b>Total</b>              | <b>707.95</b>    | <b>21.30</b> | <b>16.41</b> | <b>31.15</b>      | <b>776.80</b> |

As on March 31, 2023

| Particulars               | Less than 1 year | 1 - 2 years  | 2 - 3 years | More than 3 years | Total         |
|---------------------------|------------------|--------------|-------------|-------------------|---------------|
| <b>i. Undisputed dues</b> |                  |              |             |                   |               |
| a. MSME                   | 14.34            | -            | -           | -                 | 14.34         |
| b. Others                 | 663.33           | 62.75        | 3.10        | 6.97              | 736.15        |
| <b>ii. Disputed dues</b>  |                  |              |             |                   |               |
| a. MSME                   | -                | -            | -           | -                 | -             |
| b. Others                 | -                | -            | -           | -                 | -             |
| <b>Total</b>              | <b>677.67</b>    | <b>62.75</b> | <b>3.10</b> | <b>6.97</b>       | <b>750.49</b> |

## Intangible Assets - Ageing Schedule

As on March 31, 2024

| Particulars                         | Less than 1 Year | 1-2 Years     | 2-3 Years    | More than 3 Years | Total           |
|-------------------------------------|------------------|---------------|--------------|-------------------|-----------------|
| i. Project In Progress              |                  |               |              |                   |                 |
| ii. Other Capex                     | -                | 155.78        | 28.90        | 1,019.33          | 1,204.01        |
| iii. Projects Temporarily Suspended |                  |               |              |                   | -               |
| <b>Total</b>                        | <b>-</b>         | <b>155.78</b> | <b>28.90</b> | <b>1,019.33</b>   | <b>1,204.01</b> |

As on March 31, 2023

| Particulars                         | Less than 1 Year | 1-2 Years       | 2-3 Years   | More than 3 Years | Total           |
|-------------------------------------|------------------|-----------------|-------------|-------------------|-----------------|
| i. Project In Progress              |                  |                 |             |                   | -               |
| ii. Other Capex                     | 6.86             | 1,196.92        | 8.37        | 5.71              | 1,217.86        |
| iii. Projects Temporarily Suspended |                  |                 |             |                   | -               |
| <b>Total</b>                        | <b>6.86</b>      | <b>1,196.92</b> | <b>8.37</b> | <b>5.71</b>       | <b>1,217.86</b> |

## Capital Work in Progress - Ageing Schedule

As on March 31, 2024

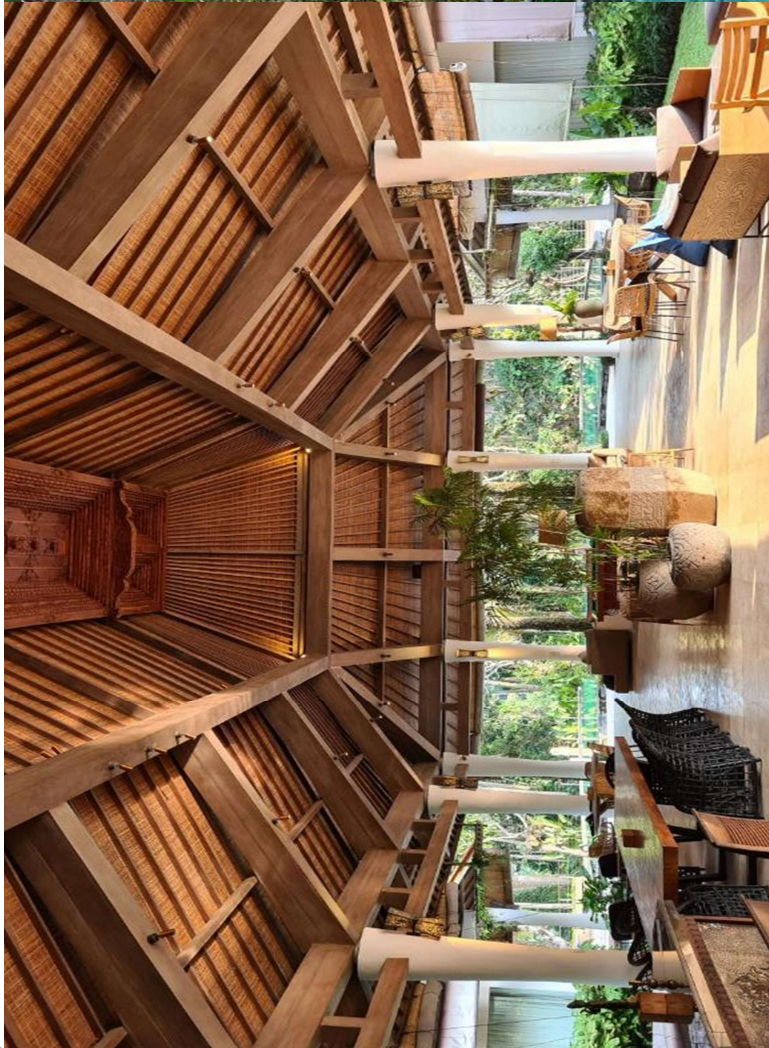
| Particulars                         | Less than 1 year | 1 - 2 years   | 2 - 3 years | More than 3 years | Total         |
|-------------------------------------|------------------|---------------|-------------|-------------------|---------------|
| i. Project In Progress              | -                | 471.01        | -           | -                 | 471.01        |
| ii. Other Capex                     | -                | -             | -           | 211.37            | 211.37        |
| iii. Projects Temporarily Suspended | -                | -             | -           | -                 | -             |
| <b>Total</b>                        | <b>-</b>         | <b>471.01</b> | <b>-</b>    | <b>211.37</b>     | <b>682.38</b> |

As on March 31, 2023

| Particulars                         | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total         |
|-------------------------------------|------------------|-------------|-------------|-------------------|---------------|
| i. Project In Progress              | 471.01           | -           | -           | -                 | 471.01        |
| ii. Other Capex                     | 2.00             | -           | -           | 211.37            | 213.37        |
| iii. Projects Temporarily Suspended | -                | -           | -           | -                 | -             |
| <b>Total</b>                        | <b>473.01</b>    | <b>-</b>    | <b>-</b>    | <b>211.37</b>     | <b>684.38</b> |

Additional Information as required by Paragraph 2 of Part III - General Instruction for Preparation of CFS of Schedule III of the Companies Act, 2013

| Name of the entity                                    | Net Assets                              |             | Share in profit Or Loss    |             | Share in Other Comprehensive Income (OCI) |             | Share in Total Comprehensive Income (TCI) |             |
|---|---|-------------|----------------------------|-------------|---|-------------|---|-------------|
|   | ie Total assets minus total liabilities |             | % consolidated Profit/Loss | Rs in Lakhs | % consolidated OCI                        | Rs in Lakhs | % consolidated TCI                        | Rs in Lakhs |
|   | % consolidated net assets               | Rs in Lakhs |                            |             |   |             |   |             |
| <b>Parent Company</b>                                 |   |             |                            |             |   |             |   |             |
| Kerala Ayurveda Limited                               | 121%                                    | 4,237.69    | 31%                        | (27.05)     | 100%                                      | -3.54       | 34%                                       | -30.59      |
| <b>Subsidiaries</b>                                   |   |             |                            |             |   |             |   |             |
| <b>Indian</b>   |   |             |                            |             |   |             |   |             |
| Ayurvedagram Heritage Wellness Centre Private Limited | 29%                                     | 1,021.98    | -296%                      | 255.46      |   |             | -284%                                     | 255.46      |
| <b>Foreign</b>  |   |             |                            |             |   |             |   |             |
| Ayurvedic Academy Inc, USA                            | 7%                                      | 237.37      | 0%                         | (0.39)      |   |             | 0%  | -0.39       |
| Suvda Inc, USA  | -40%                                    | (1,391.50)  | 170%                       | (146.91)    |   |             | 164%                                      | -146.91     |
| Ayu Natural Medicine Clinic, USA                      | -29%                                    | (1,018.44)  | 6%                         | (4.95)      |   |             | 6%  | -4.95       |
| CMS Katra Holding LLC, USA                            | -11%                                    | (381.61)    | 3%                         | (2.71)      |   |             | 3%  | -2.71       |
| CMS Katra Nursing, USA                                | -26%                                    | (928.22)    | 5%                         | (4.55)      |   |             | 5%  | -4.55       |
| Nutraveda Pte Ltd, Singapore                          | 0%                                      | 3.83        | 0%                         | -           |   |             | 0%  | 0.00        |
| <b>Adjustments on Consolidation</b>                   |   |             |                            |             |   |             |   |             |
|   | 49%                                     | 1,732.10    | 180%                       | (155.19)    |   |             | 173%                                      | -155.19     |
|   | 100%                                    | 3513.20     | 100%                       | -86.29      | 100%                                      | -3.54       | 100%                                      | -89.83      |



 **ayurvedagram**<sup>TM</sup> | A part of Kerala Ayurveda  
BALI

THE HEART OF HEALING

THIS COUPON ENTITLES YOU TO PURCHASE KAL'S MEDICINES FROM THE  
COMPANY'S  
DIRECT OUTLETS AT 15% DISCOUNT

Name.....  
Signature.....  
Folio No.....  
VALID UPTO 31.03.2025

Name.....  
Signature.....  
Folio No.....  
VALID UPTO 31.03.2025

Name.....  
Signature.....  
Folio No.....  
VALID UPTO 31.03.2025

Name.....  
Signature.....  
Folio No.....  
VALID UPTO 31.03.2025

| HOSPITALS:   | TREATMENT CENTRES :  | KALPAM - TREATMENT CENTRES:  | DEPOT OUTSIDE KERALA:   |
|--|--|--|---|
| <b>KERALA AYURVEDA HOSPITAL (OLD)</b><br>Opposite Axis Bank, Naer Town Police Station ,<br>Dwaraka Road<br>Kasaragode -671 121<br>PH : 0499-4222519  | <b>KERALA AYURVEDA WELLNESS CENTER</b><br>OLD WARRIAM ROAD EAST<br>A.M.THOMAS ROAD,<br>ERNAKULAM-682 016.<br>PH: 0484- 2375292, 2378198                            | <b>KERALA AYURVEDA WELLNESS CENTER</b><br>#400, 18TH MAIN, 6TH BLOCK,<br>KORAMANGALA,<br>BENGALURU-560 095., KARNATAKA<br>PH: 080- 41699699  | <b>KERALA AYURVEDA DEPOT</b><br>SHOP NO.6/7/8/9/10<br>JAI GURUDEO CO-OP.HOUSING SOCIETY<br>PLOT NO.106B, SECTOR NEW 50E<br>SEAWOOD(W),NAVI MUMBAI – 400 706<br>PH: 9562507711                   |
| <b>KERALA AYURVEDA HOSPITAL (NEW)</b><br>Building No-319/A,<br>Ramdas Nagar PO, Madhur Gramma panchayath,<br>Sandyalayam, Mannipady,<br>Mogral, Kasaragode, Kerala, 671124<br>PH:0499-9995012891 | <b>KERALA AYURVEDA WELLNESS CENTER</b><br>XXVII/478, THEJUS,<br>OPP NANDILATH G MART, TOLL JN,<br>EDAPALLY, ERNAKULAM-682 016.<br>PH: 0484- 2557244                | <b>KERALA AYURVEDA WELLNESS CENTER</b><br>451 Ground Floor,7th Main, 4th block<br>JAYANAGAR,<br>Bengaluru 560011<br>PH:080- 26659455   | <b>KERALA AYURVEDA DEPOT</b><br>67, Mayur Vihar Phase 1 Road,<br>Near Janta Flat,<br>New Delhi, South East Delhi,<br>Delhi, 110091<br>Ph: 8800140581(sumith)                                    |
| <b>WELLNESS RETREAT</b>  | <b>KERALA AYURVEDA WELLNESS CENTRE</b><br>ZEEN, AMC VIII/73,<br>BANK ROAD,<br>ALUVA 683101<br>PH:0484- 3221365, 0484- 2623578                                      | <b>KERALA AYURVEDA WELLNESS CENTRE</b><br>Ground Floor,No-1187, Bhagwati,<br>5th Main, 21 st Cross,7 th sector, HSR Layout,<br>Bengaluru,Karnataka, 560102<br>PH: 9606829771   | <b>KERALA AYURVEDA DEPOT</b><br>1st floor, 3, singha house,<br>muniyadi kovil main street,<br>Krishna Garden, Angaalaa eswari nagar,<br>Madurai, Madurai, Tamil Nadu, 625016<br>Mob: 9791755587 |
| <b>AYURVEDAGRAM HERITAGE WELLNESS CENTRE</b><br>HEMANDANAHALLI, SAMETHANHALLI POST,<br>WHITEFIELD,<br>BENGALURU-560 067. KARNATAKA<br>PH: 080-27945428- 30, 65651090                             | <b>KERALA AYURVEDA CLINIC</b><br>No.285 Oppsite to Loyal city,White field main Road,<br>Near Pushpa Nusing home,Banglore-560 066<br>PH: 080-27945428- 30, 65651090 | <b>KERALA AYURVEDA WELLNESS CENTER</b><br>6-3-0906/B/1, SOMAJIGUDA,NEAR YASODA SPECIALITY HOSPITAL<br>HYDERABAD-500 082.<br>PH: 040- 66613357  | <b>KERALA AYURVEDA DEPOT</b><br>P-12, DALIMTOTA LANE P S<br>BURTOLLA,<br>KOLKATTA -6<br>PH:033 22723015   |
| <b>THE HEALTH VILLAGE</b><br>KERALA AYURVEDA LIMITED<br>MONASTERY LANE. A M ROAD<br>ALUVA 683101,ERNAKULAM DIST.<br>PH: 0484 2625630 2628630   | <b>KERALA AYURVEDA CLINIC</b><br>12, BOWRING HOSPITAL ROAD,<br>SHIVAJI NAGAR, BENGALURU-560 001.<br>PH: 080- 25591825  | <b>KERALA AYURVEDA WELLNESS CENTRE</b><br>#55-1-19JR NAGAR<br>VENKOJIPALEM, VISAKHPATNAM - 530022<br>PH:8886910909   | <b>KERALA AYURVEDA DEPOT</b><br>Near shell petrol pump,<br>13, Radhey estate,<br>Transport Nagar<br>Aslali, Ahmedabad,<br>Gujarat 382427<br>Ph:2718261628<br>Ph: 9375315208                     |
| <b>AYURVEDAGRAM BALI</b><br>Jl. Raya Kendaran No.1<br>Banjar Kepitu Desa Kendran<br>Kecamatan Ubud, Bali<br>WA: +6287859509999   | <b>KERALA AYURVEDA WELLNESS CENTER</b><br>No 3282, 12TH MAIN,<br>HAL INND STAGE, Indranagar<br>BENGALURU-560 038. KARNATAKA<br>PH: 080- 25262515,                  | <b>KERALA AYURVEDA WELLNESS CENTRE</b><br>Wing, Twin Arcade, Orchid Premises Co-Op Soc Ltd<br>Shop no: 9-10, Ground Floor C, Military Rd, Marol, Andheri East<br>Mumbai, Maharashtra 400059<br>PH:9562505522                     | <b>FACTORY OUTLET</b><br>KERALA AYURVEDA LIMITED FACTORY OUTLET<br>VII/415, NEDUMBASSERY<br>ATHANI P.O., ALUVA – 683 585.<br>PH: 0484-2476301   |
| <b>DEPOTS IN KERALA:</b><br>KERALA AYURVEDA DEPOT<br>13/225, Purayar<br>U C College P O<br>East Desom 683101<br>Ph: 9349008734   | <b>KERALA AYURVEDA WELLNESS CENTER</b><br>AD 20(PLOT NO.3337)<br>5th AVENUE, ANNA NAGAR,<br>CHENNAI-600 040. TAMIL NADU<br>PH: 044- 26214903                       | <b>KERALA AYURVEDA WELLNESS CENTRE</b><br>Oxygen Valley Commercial Complex Office no 1,2,3,4<br>Opposite HP Petrol Pump Manjari farm,Manjari budruk<br>Solapur - Pune Hwy,Hadapsar,<br>Pune, Maharashtra 412307<br>PH:9995499837 | <b>ACADEMY</b><br>KERALA AYURVEDA ACADEMY<br>MONASTERY LANE. A M ROAD<br>ALUVA – 683 101. PH: 0484- 2628707   |
| <b>KERALA AYURVEDA DEPOT</b><br>No.38/2639,PKC Road,West Hill P.O..<br>Kozhikode -5<br>PH:9562508420   | <b>KERALA AYURVEDA WELLNESS CENTER</b><br>E-11, 3rd Floor,<br>East of Kailash,<br>New Delhi,<br>South East Delhi, Delhi, 110065<br>Ph:011-41754888                 |  |   |
| <b>KERALA AYURVEDA CLINIC USA</b><br>691 MILPITAS BLVD, SUITE 206<br>MILPITAS,CALIFORNIA 95035 USA<br>PH: +1(888) 275-9103(Toll Free)<br>+1(510)257-4378   | <b>FOR ANY INFORMATION PLEASE WRITE TO</b><br><a href="mailto:info@keralaayurveda.biz">info@keralaayurveda.biz</a>   |  | <b>PRODUCTS ARE AVAILABLE ONLINE AT</b><br><a href="http://www.keralaayurveda.biz">www.keralaayurveda.biz</a>   |