

23rd Annual
Report 2014-15



TAKING AYURVEDA GLOBAL



KERALA AYURVEDA LIMITED

Hairfall..?

Dandruff..?

Early Greying..?

KESINITM



5 ACTIONS

- Prevents Hair Fall
- Fights Dandruff
- Promotes Natural Hair Growth
- Helps Prevent Premature Greying of Hair
- Arrests Splitting of Hair

MODE OF APPLICATION:

Apply 5-10 ml on head half an hour before bath or as directed by the physician



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ramesh Vangal, Chairman (DIN 00064018)
 Mr. Ronald George Pearce,
 Vice Chairman & Independent Director (DIN 00260166)
 Dr. K Anilkumar, Whole time Director (DIN 00226353)
 Mr. A T Jacob, Director (DIN 01663815)
 Mr. M C Mohan, Independent Director (DIN 00633439)
 Mr. S Krishnamurthy, Independent Director (DIN 00140414)
 Ms. Katarzyna Zimpel, Director (DIN00264084)
 Mr. Anand Subramanian,
 (Alternate to Ms. Katarzyna Zimpel) (DIN 00064083)

CHIEF FINANCIAL OFFICER

Mr. Arvind Agarwal

COMPANY SECRETARY

Ms. Itti Bhargava (w.e.f 13th August, 2015)

REGISTERED OFFICE & FACTORY

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

CORPORATE OFFICE

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

INTERNAL AUDITORS

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

BANKERS

Kotak Mahindra Bank Ltd & Axis Bank Ltd

REGISTRAR & TRANSFER AGENTS

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

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CHAIRMAN'S STATEMENT

Dear Shareholders,

The past year has been an exciting one for Ayurveda and Yoga. The Indian Government has now widely acknowledged that these two ancient sciences hold the key to global differentiation for India. The vision with which we set out on this journey stands vindicated today.



The main challenge for Ayurveda has always been one of scientific validation, which is why your company set out to develop a rigorous scientific process which would result in products built on the three pillars of

Safety
Efficacy
Purity

We stand out as an Ayurvedic company in India which has combined a 70 year old Heritage, a broad spectrum offering, spanning products, clinics, hospitals, education and Healing retreats and the willingness & ability to apply scientific validation to Ayurveda.

Our decision to benchmark ourselves against global standards is fast becoming a reality because of the research infrastructure we have built in Renovel Discoveries Inc., USA and the international-standard manufacturing processes of Katra Phytochem (India) Pvt Ltd. Using investigational methodologies based on the clinical experience garnered in our chain of wellness clinics, we are persistently working to benchmark our proprietary Ayurvedic medicines against pharma formulations.

In line with the Government's desire to propagate Ayurveda and Yoga widely, your company too has entered the web world in a concerted effort to reach doctors and end consumers.

We are currently in the process of building a digital portal which enables everyone to access the full range of our Ayurveda offerings on-line. Already the e-commerce aspect of this portal is in the public domain and month on month it is showing increasing traction and popularity. Within the next few months in parallel with our existing channels and outreach methods we will fully access the limitless reach of the web for all our verticals. We will also expand our presence in e-commerce .

Bengaluru

13th August, 2015

Ramesh Vangal

Chairman

KERALA AYURVEDA LTD

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

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

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

CIN : L24233KL1992PLC006592

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Kerala Ayurveda Limited will be held on Tuesday, the 29 September 2015 at 4.30 p.m. at Green Park Auditorium, N.H. 47, Desom, Aluva-683103, Kerala, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the company for the financial year ended 31 March, 2015 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. A.T. Jacob, (DIN. 01663815) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the members of the Company is hereby accorded to ratify the appointment of M/s Biju George & Co. Chartered Accountants (Firm Reg. No.0079325) Vellaringattu Towers, Thodupuzha 685584 as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2016 and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31.03.2016 as may be determined in consultation with the Auditors.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification the following resolution as **Special Resolution**.
“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force), the consent of the company be and is hereby accorded for the re-appointment of Dr. K Anilkumar as Whole Time Director, designated as Executive Director of the Company for a period of three years from 28 June, 2015 to 27 June, 2018 and he shall be paid the remuneration as approved by the Nomination & Remuneration Committee of the Board as detailed below.

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

II. Allowances/Perquisites:-

- a) Special Allowance: Rs.69,000/- per month
- b) Leave Travel Allowance: Yearly payment of Rs.60,000/-
- c) Housing : In case no accommodation - owned or hired is provided by the Company the Director shall be entitled to 40% of the basic salary relevant of the concerned period as and by way of House Rent Allowance subject to a maximum Rs 50,000/-
- d) Medical Reimbursement: Expenditure incurred by the Director and his family, subject to a ceiling of Rs.12,000/- per annum
- e) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per relevant provisions of the Gratuity Act.
- f) Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company.

- g) Provision of car with driver for use in relation to Company's business will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director.

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

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

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution."

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**.

"**RESOLVED THAT** in supersession of the resolution passed by the shareholders in the Annual General Meeting held on 29th September 2014, the consent of the Company be and is hereby accorded under the provisions of Section 180 (1) (c) of the Companies Act, 2013, to the Board of Directors of the company for borrowing monies, from time to time, at its discretion either from the Company's Bankers or any other banks, financial institutions, international lending agencies or any other lending institutions, persons, firms, trusts or bodies corporate by way of deposits, advances or other loans, convertible/non convertible debentures, commercial papers, bonds or any other debt instruments, whether unsecured or secured directly by mortgage, charge, hypothecation or pledge or any of the Company's assets and properties, book debts or by collateral security thereon or on such terms and conditions as may be considered suitable by the Board of Directors, even though the monies to be borrowed together with monies already borrowed by the Company, apart from temporary loans from Company's Bankers in the ordinary course of business, exceeds the aggregate paid up capital of the Company and its free reserves, ie. reserves not set apart for any specific purpose, provided however, that the total amount of sum borrowed shall not exceed the amount of Rs. 60 crores (Rupees sixty crores) at any time."

"**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all such acts, deeds, matters and things as it may be necessary and expedient and also to delegate all or any of the above powers to the Directors or any other officers of the company for giving effect to the above resolution."

By order of the Board of Directors
For Kerala Ayurveda Limited

Place: Bengaluru
Date: 13th August, 2015

Ramesh Vangal
Chairman
DIN: 00064018

Important Notes:

- Register of members will remain closed from 24th September, 2015 to 29th September, 2015 (both days inclusive).
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto.

- c) **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself or herself and the proxy need not be a member of the company.** A person can act as proxy on behalf of members not exceeding fifty(50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights, may appoint single person as a proxy, who shall not act as a proxy for any other member.
- d) **The instrument appointing a proxy as per the format given at the end of this annual report to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.** Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.
- e) Members holding shares in electronic form should get their email ids updated with their respective Depository Participant so that they can get the copies of correspondence etc sent by the Company via email.
- f) Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
- g) Electronic copy of the 23rd Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested a hard copy of the same. For other members physical copies of the Notice indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Annual report will also be available on the Company's website www.keralaayurveda.biz for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working day. Even after registering for e-communications, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor@keralaayurveda.biz.
- h) Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new share transfer form SH-4.
- i) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- j) Members are requested to send their correspondence/queries to the Share Transfer Agents, M/s. Integrated Enterprises (India) Ltd. having office at Kences Towers, 2nd Floor, No.1 Ramakrishna Street, Off North Usman Road, T Nagar, Chennai 600017, Ph:044-28140801-03 Fax: 044-28142479, E-mail : corpserv@iepindia.com with a copy to the company's registered office and quote their folio number/client ID number.
- k) Members holding shares in physical form are requested to notify any change in their address to the Company's Registrar & Share Transfer Agent. Members holding shares in electronic form are requested to intimate the changes, if any, in their address to respective depository participants only.
- l) Shareholders intending to make queries at the AGM on any aspect of the working of the company, on the published accounts or on the Directors' Report may write to The Company Secretary, Kerala Ayurveda Ltd, VII/415, Nedumbassery, Athani P.O., Aluva-683585 so as to reach it latest by 25th September, 2015.
- m) The form of attendance slip is attached with this notice. Shareholders are requested to produce it for

verification at the meeting. Members/proxies are requested to bring their copy of the Annual Report to the AGM.

- n) The registration at AGM venue shall be strictly open only upto the time AGM starts. Shareholders are requested to be present before AGM time.
- o) Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e voting services provided by Central Depository Services (India) Ltd (CDSL). E voting is optional and members shall have the option to vote either through e voting or in person at the general meeting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remot e-voting") will be provided by CDSL.

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.

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.

Others notes:

- a) Mr.M.S. Seetharaman, Additional Independent Director has resigned on 13th August 2015.

THE PROCESS AND INSTRUCTIONS FOR E VOTING ARE AS UNDER:

A. In case of members receiving e-mail:

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

For Members holding shares in Demat Form and Physical Form

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

(vii) After entering these details appropriately, click on “SUBMIT” tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN (Electronic Voting Sequence Number) for the relevant <Company Name> on which you choose to vote.

(xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote

(xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- C. The e-voting period begins on 26th September 2015 (9.00 a.m.) and ends on 28th September 2015 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 23rd September 2015 (being cut off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote

on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter.

- D. If a person who is not a member on cut off date receives this notice, he has to treat this notice for information purposes only and he will not be able to e-vote.
- E. Mr. P. Sivakumar, Managing Partner, SVJS & Associates, Company Secretaries, Kochi-682016 has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.
- F. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer order voting through ballot paper for all those members who are present but not cast their votes electronically through remote e-voting facility.
- G. The Scrutinizer shall immediately after conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the company. The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, by not later than three days from the conclusion of the AGM to the Chairman of the Company. Thereafter, the Chairman or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
- H. The results along with the Scrutinizer's report shall be placed on the Company's website www.keralaayurveda.biz and on the website of CDSL immediately after the result is declared by the Chairman or any other person authorized by the Chairman and will be communicated to the the Stock Exchanges on which the company's equity shares are listed.

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

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

The tenure of Dr. K Anilkumar, Executive Director, ended on 27th June, 2015. Dr K. Anilkumar is well versed in this branch of medicine and has over 30 years experience in manufacturing and marketing of ayurvedic medicines.

Considering his valuable services throughout these years, the Board of Directors at its meeting held on 29th May, 2015, approved his re-appointment for a further period of 3 years with effect from 28th June, 2015, on the terms and conditions as approved by the Nomination and Remuneration Committee and as set out in the Resolution in Item No.4 of the Notice convening the meeting. Accordingly, the Board recommends the special resolution for members' approval.

None of the Directors except Dr. K Anilkumar and his relatives are concerned or interested in the said resolution.

Item No.5

Presently the Board of Directors of the company has been authorized to borrow upto Rs.50.00 crores by a Special Resolution passed at the Annual General Meeting of the company held on 29th September, 2014 as required under Section 180 of the Companies Act, 2013.

Keeping in view the expansion plans and consequent fund requirements of the company, it is proposed to increase the borrowing limits of the company upto a maximum amount of Rs.60 crores. Hence the Special resolution in Item no. 5 under Section 180(1)(c) of the Companies Act, 2013 is proposed to confirm the borrowing limits of the Company.

Directors recommend the Special resolution set out in the Item no. 5 of the Notice for approval.