



Authentic Herbal Ayurveda for Modern Times

# ANNUAL REPORT

## 2016 - 2017

**INTEGRATED  
FULL SPECTRUM COMPANY -  
PRODUCTS, SERVICES & EDUCATION**



**Kerala Ayurveda Ltd. wins the prestigious  
India Today, Make in India Emerging Entrepreneur Award 2017**



## KERALA AYURVEDA LTD. WINS THE PRESTIGIOUS INDIA TODAY "MAKE IN INDIA EMERGING ENTREPRENEUR AWARD", 2017



We are thrilled at the recognitions awarded to us, with the recent one being the prestigious India Today “**Make in India Emerging Entrepreneur Award**”, 2017 under Pharmaceuticals & Biotechnology Category, last month. The past year has also been an exciting and eventful year for us. Our excellence in delivering quality products and Healthcare services has earned us the prestigious **ASSOCHAM** awards for Kerala Ayurveda Ltd. as ‘**HERBAL COMPANY OF THE YEAR**’ and Ayurvedagram Heritage Wellness Centre Pvt. Ltd. (subsidiary) as ‘**SPA & WELLNESS CENTRE OF THE YEAR 2016**’ and ‘**Best Ayurvedic Treatment Centre of the Year 2017**’.

### NAVAVAIDYAKA (BEST AYURVEDA DOCTOR IN MAKING)



To identify, support and groom new generation Ayurvedic doctors to become great Vaidyas of future, **Kerala Ayurveda Limited** successfully presented a talent hunt event named ‘**Navavaidyaka**’ an exciting competition on 19th February 2017. Among 29 students from 15 different Ayurveda colleges competed for the title. **Miss Parvathy Venate** of **VPSV Ayurveda College, Kottakkal** has won the **Navavaidyaka'17** title.

### SUCCESSFULLY LAUNCHED TWO NEW PRODUCTS - CARICIN™ AND I-CLEAR™ 10 TABLETS



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

(Current Directors)

Mr. Ramesh Vangal, Chairman (DIN 00064018)  
 Mr. Gokul Patnaik, Vice Chairman (DIN 00027915)  
 Dr. K Anilkumar, Whole Time Director (DIN 00226353)  
 Mr. M C Mohan, Independent Director (DIN 00633439)  
 Mr. S Krishnamurthy, Independent Director (DIN 00140414)  
 Mr. Kshiti Ranjan Das, Independent Director (DIN 07212449)  
 Mr. Anand Subramanian, Additional Director (DIN 00064083)

### CHIEF FINANCIAL OFFICER

Mr. Arvind Agarwal

### COMPANY SECRETARY

Mr. K.Raghunadhan

### REGISTERED OFFICE & FACTORY

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

### 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

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

### INTERNAL AUDITORS

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

### BANKERS

Kotak Mahindra Bank Ltd

### REGISTRAR & TRANSFER AGENTS

M/s. Integrated 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

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## CHAIRMAN'S STATEMENT

Dear Shareholders,

India can be a leader in making affordable, holistic healthcare available to the world and the Government of India is fully committed for promotion of Ayurveda, Yoga and traditional systems of medicine, and backed by our Hon'ble Prime Minister Shri. Narendra Modi.

**Kerala Ayurveda Limited** has set itself to lead the industry into bringing Ayurvedic solutions, which is in line with the Indian Government's Vision to **Take Ayurveda Global**. Its tradition comes from an ancient authentic Kerala Ayurveda tradition, with an integrated spectrum of **Products, Services and Education**. Each of these business units are significantly established commercially via independent platforms with a strong proof of concept, capable of explosive growth. These are independent scalable models which combine together to form an integrated and cohesive spectrum of wellness.



We are thrilled at the recognitions awarded to us, with the recent one being the prestigious **India Today "Make in India Emerging Entrepreneur Award", 2017** under Pharmaceuticals & Biotechnology Category, awarded in July 2017. This recognition from India Today reinforces our commitment to 'Take Ayurveda Global' and by leveraging the India arbitrage 'From India', and 'For India'. We have over a dozen exciting **Ayurvedic Cross-over products** ready for launch, to benefit customers, which are going to be marketed through pharma. This award encourages us to lead the industry into bringing Innovative Ayurvedic solutions.

The past year has also been an exciting and eventful year for us. Our excellence in delivering quality products and Healthcare services has earned us the prestigious ASSOCHAM awards for Kerala Ayurveda Ltd. as **'HERBAL COMPANY OF THE YEAR'** and Ayurvedagram Heritage Wellness Centre Pvt. Ltd. (subsidiary) as **'SPA & WELLNESS CENTRE OF THE YEAR 2016'** and **'Best Ayurvedic Treatment Centre of the Year 2017'**. These recent awards have given us confidence to build an all India therapy network of clinics and hospitals. Kerala Ayurveda Ltd. is all set to tap the potential of growing medical tourism in India and be a major player by offering the authentic ayurvedic treatments from Kerala. On the education front, Kerala Ayurveda Ltd. has been the foremost Ayurveda Education School in the USA and also a branch in Kerala, India. The US centre has trained around 2000 students through 625 hrs - 1500 hr programs called AWC and AWP. These programs allow certification and accreditation by the California and Washington State Government. In addition Kerala Ayurveda Limited runs numerous Seminars and workshops around the country.

Kerala Ayurveda Ltd. is poised for growth. We are well positioned to expand the reach of Ayurveda, given the large amount of scientific knowledge and practical experience of treating more than 70,000 patients a year, through our network of clinics, hospitals & resorts and academies in India and abroad. With its unique platforms and as a group we are in the endeavour of –

- Building a "Global Wellness Brand Engine",
- Establish an Ayurvedic Footprint Globally and
- Deliver Affordable Health

Our core business idea is a fully integrated approach that combines traditional wisdom and modern scientific knowledge that delivers Ayurvedic solutions that are **Pure, Safe and Effective**. In summary dear shareholder, we are aware that your company growth has been modest over the past few years. However we now have a strong business foundation with business platforms which are scalable rapidly. We can expect to see rapid growth in the years ahead!

Bengaluru

11<sup>th</sup> August, 2017

**Ramesh Vangal**

Chairman

**KERALA AYURVEDA LTD**

CIN : L24233KL1992PLC006592

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

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

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

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Kerala Ayurveda Limited (CIN: L24233KL1992PLC006592) will be held on Wednesday, the 27<sup>th</sup> September, 2017 at 3.30 p.m. at Green Park Auditorium, N.H. 47, Desom, Aluva-683 103, Kerala, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the company for the Financial Year ended 31<sup>st</sup> March, 2017 together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Ramesh Vangal, (DIN 00064018) who retires by rotation and being eligible, offers himself for re-appointment.

3. To ratify the appointment of M/s. Biju George & Co, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next annual General Meeting and to authorize the Board to fix their remuneration.

**SPECIAL BUSINESS**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152,161 and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Anand Subramanian, (DIN:00064083) who was appointed as an Additional Director at the meeting of the Board of Directors of the company held on 29<sup>th</sup> September, 2016 and who holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions if any of the Companies Act, 2013 (the Act) read with the Companies (Meeting of the Board and its powers) Rules, 2014 and read with Clause 23(4) 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 to the Board of Directors to enter into an agreement with M/s. Ayurvedagram Heritage Wellness Centre Pvt. Ltd. for the sale of medicines upto ` 500 lacs during the period 01.04.2017 to 31.03.2020 with a discount upto 15% on MRP as resolved by the Board of Directors in its meeting held on 11<sup>th</sup> August, 2017 being beneficial to the company.”

**6. 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, 2015, 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 of 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 ` 100 crores (Rupees hundred 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 :11<sup>th</sup> August, 2017

K.Raghunadhan  
Company Secretary

#### **Important Notes:**

1. The Explanatory Statements pursuant to Section 102(1) and (2) of the Companies Act, 2013 in respect special Business in item No.4, 5 and 6 are annexed hereto.
2. Register of members will remain closed from Saturday, 23<sup>rd</sup> September, 2017 to Wednesday, 27<sup>th</sup> September, 2017 (both days inclusive).
3. Route map of the Venue is attached as annexure to this Report. (Page No.87)
4. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.** A person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. **The instrument appointing a proxy as per the format given at the end of this annual report to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.** Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. A proxy form is annexed to this report.
5. 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.
6. Copies of the Annual Report 2016-17 are being sent by Electronic Mode to all the members whose email ID's are registered with the company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2016-17 are being sent by the permitted mode.
7. Electronic copy of the 25<sup>th</sup> Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ID's are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested a hard copy of the same. For other members physical copies of the Notice indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by the permitted mode. Annual report will also be available on the Company's website [www.keralaayurveda.biz](http://www.keralaayurveda.biz) under "Investor Section" for their download. The

physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working day. Even after registering for e-communications, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email ID: [investor@keralaayurveda.biz](mailto:investor@keralaayurveda.biz).

8. 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.

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 Registry Management Services Pvt. 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 write to The Company Secretary, Kerala Ayurveda Ltd, VII/415, Nedumbassery, Athani P.O., Aluva-683 585 so as to reach it latest by 23<sup>rd</sup> September, 2017.

13. The form of attendance slip is attached with this notice. Shareholders are requested to produce duly filled Attendance Slip for verification at the meeting. Members/proxies are requested to bring their copy of the Annual Report 2016-17 to the AGM.

14. The registration at AGM venue shall be strictly open only upto the time AGM starts. Shareholders are requested to be present before AGM time.

## **15. 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 25<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e voting services provided by Central Depository Services (India) Ltd (CDSL). E-Voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.

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.

## 16. THE PROCESS AND INSTRUCTIONS FOR E-VOTING ARE AS UNDER:-

### A. In case of members receiving e-mail:

1. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
2. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
3. Click on Shareholders.
4. Now Enter your User ID
5. For CDSL: 16 digits beneficiary ID,
6. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
7. 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.
8. 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 voting of any company, then your existing password is to be used.
9. If you are a first time user follow the steps given below:

### For Members holding shares in Demat Form and Physical Form

<p><b>PAN</b></p>	<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>
<p>Dividend Bank Details OR Date of Birth (DOB)</p>	<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 16A above</p>

- After entering these details appropriately, click on "SUBMIT" tab
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN (Electronic Voting Sequence Number) 170823031 for the relevant <Company Name> Kerala Ayurveda Ltd., on which you choose to vote.



- 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.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 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.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- 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.

**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](http://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](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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

**B. In case of members receiving the physical copy of the Notice of AGM**

Please follow all steps in sl. no. 16 to cast vote

17. 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](http://www.evotingindia.com), under help section or call on toll free no.18002005533 or write an email to contact Mr. Rakesh Dalvi, Dy. Manager, Central Depository Services (India) Ltd, Phiroze Jeejeebhoy Towers, 16<sup>th</sup> Floor, Dalal Street, Fort, Mumbai at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) who will also address the grievances connected with the voting by electronic means or can also write to Company Secretary at [companysecretary@keralaayurveda.biz](mailto:companysecretary@keralaayurveda.biz) for any grievances related to voting through remote e- voting..
18. The e-voting period begins on 23rd September, 2017 (9.00 a.m.) and ends on 26<sup>th</sup> September, 2017 (5.00 pm). The remote e-voting facility will be blocked thereafter. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 21<sup>st</sup> September, 2017. (being cut off date), may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter. The member who has voted by Remote e-voting, cannot vote at the meeting.
19. If a person who is not a member on cutoff date receives this notice, he has to treat this notice for information purposes only and he will not be able to e-vote.
20. Mr. P. Sivakumar, Managing Partner, SVJS & Associates, Company Secretaries, Kochi-682 016 has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.
21. 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.
22. The Scrutinizer shall immediately after conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the company. The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, within 48 hours of the conclusion of the AGM, to the Chairman of the Company. Thereafter, the Chairman or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

23. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.keralaayurveda.biz](http://www.keralaayurveda.biz) and on the website of CDSL immediately after the result is declared by the Chairman or any other person authorized by the Chairman and will be communicated to the Bombay Stock Exchange on which the company's equity shares are listed.
24. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours on all working days, up to and including the date of the Annual General Meeting of the Company.

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

#### **Item No.4**

The Board of Directors appointed Mr. Anand Subramanian, (DIN: 00064083) as an Additional Director with effect from 29<sup>th</sup> September, 2016 pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with the Articles of Association of the company to hold the office up to the conclusion of the ensuing Annual General Meeting.

The company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing the candidature of Mr. Anand Subramanian, (DIN: 00064083) along with deposit of requisite amount, for the office of Director to be appointed as such under the provisions of the Companies Act, 2013.

A Brief profile of Mr. Anand Subramanian, (DIN: 00064083) has been annexed to this report. Keeping in view the experience and expertise of Mr. Anand Subramanian, (DIN: 00064083), his appointment as Director of the company is recommended for the approval of the members.

Except Mr. Anand Subramanian, (DIN: 00064083), no other Director, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the Resolution.

#### **Item No.5**

M/s Ayurvedagram Heritage Wellness Centre Pvt Ltd. is the subsidiary company of Kerala Ayurveda Ltd, in which your company holds 74% of share capital, based in Karnataka it is a wellness provider company with inpatient and outpatient facilities. We are currently providing 15% discount to this company as per the agreement with the party. Hence, we plan to renew the agreement with Ayurvedagram being our subsidiary.

The Board of Directors in its meeting dated 11th August, 2017 resolved to execute an agreement with Ayurvedagram Heritage Wellness Centre Pvt Ltd for the sale of medicines upto ` 500 lakhs with a discount upto 15% on MRP for a period of 3 years with effect from 1st April 2017.

As per Section 188 of the Companies Act 2013, the company shall not enter into a contract or arrangement with any related party except with the prior approval of the company by a special resolution if they are not in the ordinary course of business and not on arm's length basis Mr. Ramesh Vangal, (DIN 00064018), Chairman, Mr. Anand Subramanian, (DIN 00064083), and Mr. S. Krishnamurthy, (DIN 00140414) Directors of the company are concerned or interested, in the resolution as they are directors of Ayurvedagram Heritage Wellness Centre, subsidiary of Kerala Ayurveda Ltd. They are not holding any shares or beneficial interest in Ayurvedagram Heritage Wellness Centre Pvt Ltd.

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

#### **Item No.6**

Presently the Board of Directors of the company has been authorized to borrow upto Rs.60.00 crores by a Special Resolution passed at the Annual General Meeting of the company held on 29th September, 2015 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 ` 100 crores. Hence the Special resolution in Item no. 6 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. 6 of the Notice for approval.

None of the Directors and Key Managerial Persons of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item no 6.