



**Kerala Ayurveda Limited**  
**26<sup>TH</sup> ANNUAL REPORT**  
**2017 - 2018**

## AYURVEDAGRAM HERITAGE WELLNESS CENTRE WINS “INDIAN SALON & WELLNESS AWARDS 2018” AND “BEST AYURVEDIC RESORT 2018 AWARDS”



FEDERATION OF KARNATKA CHAMBERS OF  
COMMERCE & INDUSTRY AWARDS  
BEST AYURVEDIC RESORT 2018



FRANCHISE INDIA,  
INDIAN SALON & WELLNESS AWARDS 2018

**AYURVEDAGRAM**, a subsidiary of **KERALA AYURVEDA LIMITED** won the **"BEST AYURVEDIC RESORT, 2018"** Award at FKCCI (Federation of Karnataka Chambers of Commerce and Industry) Karnataka Tourism Awards, 2018, which was presented to on June 27, 2018 by Mr. SA RA Mahesh, Minister for Tourism, Government of Karnataka. Earlier, Ayurvedagram Heritage Wellness Centre Pvt. Ltd. was also awarded **'INDIAN SALON & WELLNESS AWARDS 2018'** by Franchise India (Ideas for Tomorrow) on May 26th, 2018, New Delhi.

## NAVAVAIIDYAKA (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'** on 24th February 2018. Among 41 students from 17 different Ayurveda colleges competed for the title, **Ms. Gayathri Vinod (Amrita School of Ayurveda, Kollam)** won the **NavaVaidyaka 2018** title.

## SALES MEET WAS CONDUCTED ON 21<sup>ST</sup> APRIL 2018 IN BENGALURU



## CME CONFERENCE WAS CONDUCTED BY KERALA AYURVEDA LIMITED AT KERALA AND BENGALURU



## CORPORATE INFORMATION

### BOARD OF 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, Director (DIN 00064083)  
 Ms. Shailaja Chandra, Additional Independent Director  
 (DIN 03320688) w.e.f 11<sup>th</sup> Nov, 2017

### 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

1134, Opp. Axis Bank, 1st Floor, 100 Ft Road,  
 HAL 2<sup>nd</sup> Stage, Indiranagar, Bengaluru- 560008.

### STATUTORY AUDITORS

M/s. Biju George & Co.  
 Chartered Accountants  
 Vellaringattu Towers, Thodupuzha- 685584.

### SECRETARIAL AUDITORS

M/s. SVJS & Associates, Company Secretaries  
 39/3519 B, 1<sup>st</sup> Floor, Padmam Apartments,  
 Manikkath Road, Ravipuram, Kochi - 682016.

### INTERNAL AUDITORS

Mr. Mathew Joseph, Chartered Accountant  
 32/2431, Kunnath Lane, SN 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,

### 'Adversity introduces a man to himself – Albert Einstein'

An unprecedented natural calamity affected Kerala and our, Kerala Ayurveda Ltd's operations, severely. We have been actively involved in providing support to our employees and their families who suffered extensively. Three of our units, located in Aluva, one of the most affected areas in Kerala, were under water. The entire area faced 8 weeks of severe disruption. This disruption required extraordinary efforts towards repair, refurbishment, working capital mobilization to recoup momentum, while managing a dynamic situation and sustaining morale.



Typically as we face a crisis, there is panic. This time around, we found a new spirit within. As the floods receded, a volunteer group of 25 from our group companies from outside Kerala jumped into action and relocated themselves to Kerala for 15 days. Joined by another 100 of our Kerala based staff, they formed teams of 8-10 each and worked to rehabilitate our KAL families who were in relief camps with their homes severely damaged. They helped clean out their homes and later to re-instate our operating units as well. All our group employees/volunteers without exception, also generously donated a part of their salaries to assist their colleagues to recover from their losses, with KAL matching this with an equal contribution. The immense solidarity and teamwork demonstrated by everyone makes us proud that we stood as ONE. We proved that we had the 'Power of One'. It brought us together as never before.

The past year has also been an exciting and eventful year for us. Our excellence in delivering quality Ayurvedic Products and Healthcare services has earned us many accolades, including the prestigious FICCI award for our subsidiary, Ayurvedagram Heritage Wellness Centre Pvt. Ltd. as 'WELLNESS CENTRE OF THE YEAR', at the FICCI Medical Value Travel Awards 2017, jointly organized by FICCI, Ministry of Commerce & Industry, Government of India, and Service Export Promotion Council, held at Bengaluru in October 2017. We also won the 'Regional Ayurvedic Center of the Year 2018' at Franchise India's, Indian Salon & Wellness Awards 2018 held at New Delhi on 27<sup>th</sup> May 2018 and won the 'Best Ayurvedic Resort 2018' at the FKCCI Karnataka Medical Awards, 2018 held at Bengaluru on 27<sup>th</sup> June 2018.

As part of our major strategic alliances, KAL has entered into a Joint venture with Sanghvi Brands Ltd, to develop Ayurvedagram Wellness Resorts and Ayurvedagram inspired Ayurvedic Spas, across the world. Ayurvedagram is one of the world's most awarded Ayurvedic Resorts and has set new standards in holistic and therapeutic healing. The joint venture will leverage our unique Ayurveda expertise and credibility of KAL, along with the global reach and operational infrastructure of Sanghvi Brands Limited ([www.sanghvibrands.com](http://www.sanghvibrands.com); Security Code -540782)

KAL is rapidly expanding a new initiative to forge strategic alliances with doctors under our unique KALPAM model (Kerala Ayurveda Limited Partnership Model). This essentially allows KAL to offer panchakarma and other authentic therapies in partnership with the best doctors around India and overseas. We are finding significant traction on this front as the best doctors are interested to combine their skills with KAL's capability to assist them to execute the therapies at their clinics.

On the education front, Kerala Ayurveda Academy, USA, gained approval for additional programs from the State of California. We now offer 6,000 hours of programs certified and accredited by the California and Washington State! With over 4,000 GB of videos and electronic materials, the US center has trained over 2,500 students. We intend to build therapy practices with our graduates as most of them are practitioners. This is our KALPAM-USA model!! In addition, we will leverage this network by offering a portfolio of specifically designed products for the USA. The first range of products has just been launched and we will expand the range soon. In addition, we have launched a range of Ayurvedic inspired Lifestyle products that includes Marayoor jaggery, Virgin Coconut Oil, Kumkumadi Oil, and Saffron. The USA business will be a big focus area, going forward.

The company has been resilient in the face of a major catastrophic natural disaster and we salute our staff. I would like to express my gratitude to all our Directors, employees, consumers, distributors, suppliers and shareholders for their unshaken belief in us. We feel confident about the future, given that we have established a strong platform for products, education, and services, backed by science - and now with an indomitable spirit. We look forward to a fruitful exciting journey, together, in this fiscal and beyond.

**Ramesh Vangal**  
Chairman

22<sup>nd</sup> October, 2018



**DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting the 26th Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March, 2018.

**FINANCIAL RESULTS**

The Company's financial performance during the year 2017-18 as compared to the previous year 2016-17 is Summarized below:

` in Lakhs

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Product Revenues	3475.10	323 3.00	3692.70	348 3.54
Service Revenues & Other Income	928.12	744.00	2220.88	192 3.14
<b>G r o s s I n c o m e</b>	<b>4403.22</b>	<b>397 7.00</b>	<b>5913.58</b>	<b>540 6.68</b>
Less Indirect Taxes	308.14	351.00	308.14	350.95
<b>Net Income from Sales/Services</b>	<b>4095.07</b>	<b>362 5.00</b>	<b>5605.44</b>	<b>505 5.73</b>
<b>Profit before Interest, Depreciation &amp; Tax (EBITDA)</b>	<b>546.58</b>	<b>486.93</b>	<b>786.65</b>	<b>724.82</b>
Profit Before Tax	340.07	330.24	416.65	424.98
<b>N e t P r o f i t / L o s s a f t e r t a x</b>	<b>230.05</b>	<b>227.38</b>	<b>287.95</b>	<b>334.97</b>
Minority interest in Profit		-	7.12	21.9 9
Net Consolidated Profit	230.05	227.38	280.83	312.98
Loss Brought forward from previous year	(469.11)	(696.4 9)	(2571.98)	( 2884.96)
Loss Carried to the Balance Sheet	(239.05)	(469.1 1)	(2291.16)	(2571.98)

**REVIEW OF OPERATIONS**

During the Financial Year under review, the operational results ended with a profit of ` 340.07 Lakhs as against ` 330.24 Lakhs during previous year. The Net revenue of the company stands at ` 4095.07 Lakhs as against ` 3625.00 Lakhs during previous year showing a growth of 13 %. The consolidated net revenue including its subsidiaries for current year is ` 5605.44 Lakhs against ` 5055.73 Lakhs during previous year resulting in a growth of 11%.

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

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.

**SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

Your company has seven subsidiaries including one step down subsidiary as on 31<sup>st</sup> March, 2018 and the details are as under:

S L	Name	Location	% o f holding
1	Ayurvedagram Heritage Wellness Centre Pvt Ltd.	India	74
2	Ayu rvedic Academy Inc .	U S A	100
3	Suveda Inc. (formerly known as Nutraveda Inc.)	U S A	100
4	Ayu Natural Medicine Clinic , P S	U S A	100
5	CMS Katra Holdings L L C	U S A	81. 67
6	CMS Katra Nursing L L C	U S A	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 step down subsidiary of your company.

**PERFORMANCE OF SUBSIDIARIES****Indian Subsidiary**

During the year under review ,M/s.Ayurvedagram Heritage Wellness Centre Pvt.Ltd.has achieved a turnover of ` .763.94 lakhs as against ` 796.44 lakhs in the previous financial year. Accordingly, the EBITDA of the company is ` 206.76 lakhs against ` 241.00 lakhs in the previous year.

## Overseas Subsidiaries

The combined turnover of overseas subsidiaries was ` 740 Lakhs as compared to ` 681.00 Lakhs in the previous year. Kerala Ayurveda Academy (Ayurvedic Academy Inc.) is currently offering certified courses in the state of Washington and California and also offers a distant learning course across USA.

## CONSOLIDATED FINANCIAL STATEMENTS

As per Rule 8 of Companies (Accounts) Amendments Rules, 2016, a report on the highlights of performance of subsidiaries, associates and joint venture companies and their contributions to the overall performance of the company during the period under report is attached as **Annexure1**. Any member indented to have a copy of Balance sheet and other financial statement of these Companies may write to Company Secretary. It shall also be kept for inspection during business hours by any shareholder in the registered office of the Company and the respective offices of its subsidiary companies. It shall also be made available on the website of the Company [www.keralaayurveda.biz/investor-relationships/](http://www.keralaayurveda.biz/investor-relationships/) under the "Investors" Tab.

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

During the financial year ended 31st March, 2018, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

## DIVIDEND

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

## RESERVES

During the year the total reserves and surplus of the company has improved to ` 969.49 Lakhs from ` 739.44Lakhs. During the year company earned a net surplus of ` 230.05Lakhs. The company does not propose to transfer any amount to reserves during the period.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2018

## DIRECTORS & KEY MANAGERIAL PERSONS:

### Appointment / Reappointment / Resignation of Directors

Pursuant to the provisions of Section 152 of the Companies Act, 2013, and in terms of Articles of Association of the Company, Mr.Gokul Patnaik (DIN 00027915) , Director of the company retires by rotation at ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors recommends his re-appointment.

The Board of Directors appointed Ms.Shailaja Chandra, (DIN: 03320688) as an Additional Independent Director with effect from 11th November, 2017 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. Board recommends her appointment as Director for the approval of the shareholders.

Board or Directors in its meeting held on 29th May 2018 approved the reappointments of Dr. K. Anilkumar for a period of 3 years with effect from 28th June 2018. The Board recommends the members approval for the appointment.

None of the directors are disqualified u/s164(2) of the Companies Act,2013.

## MEETINGS OF THE BOARD OF DIRECTORS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings and four Audit Committee Meetings and three Nomination and Remuneration Committee meetings were convened and held. The details 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. During the financial year 2017-18, the Board of Directors of the Company met on 29 May,2017, 11 August,2017, 27 September,2017, 11 November,2017and 30 January,2018.

Further, separate Meeting of Independent Directors of the Company was held on 30<sup>th</sup> January, 2018, where at the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and clause 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 were discussed.

## DECLARATION BY INDEPENDENT DIRECTOR(S)

Mr. M C Mohan (DIN: 00633439), Mr. S Krishnamurthy (DIN: 00140414), Mr. Kshiti Ranjan Das (DIN: 07212449) and Ms. Shailaja Chandra, (DIN: 03320688) are Independent Directors on the Board of the company.

All the Independent Directors have furnished declarations that they meet the criteria of independence as prescribed under Section149(6) of the Companies Act, 2013 and the Rules made there under.

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

Details pursuant to section197(12) of the Companies Act,2013 read with the Companies (Appointment And Remuneration of Managerial Personnel) Rules,2014 form part of this Report as **Annexure 2**.

## BOARD EVALUATION

Pursuant to the provisions of The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as

well as the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

As required under Section 178(1) of the Companies Act, 2013, 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. The Company's Policy furnished as **Annexure 3** forms part of this Report.

### **AUDITORS:**

#### **1. Statutory Auditors**

The Statutory Auditors BIJU GEORGE & COMPANY, Chartered Accountants, was appointed for five years in the AGM held on 29.09.2014 subject to ratification at every AGM. The requirement of ratification at every AGM has been omitted vide MCA notification dated 07.05.2018. Hence, the auditors would continue for the remaining term of one Year i.e. up to the conclusion of the AGM to be held for the financial year ended 31.03.2019. Board of Directors seek the authorization from members to fix remuneration of statutory auditor BIJU GEORGE & COMPANY, Chartered Accountants, for the remaining term of appointment.

#### **Statutory Auditors' Report**

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

Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government – Nil

#### **2. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed there under, M/s.SVJS & Associates were re-appointed as Secretarial Auditors of the company to carry out the secretarial audit for the year ending 31<sup>st</sup> March, 2018.

#### **Secretarial Audit Report**

A Secretarial Audit Report issued by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **Annexure 4**. Regarding the requirement of Peer Review Certificate by Statutory Auditors, we were informed by them that they have taken steps to obtain the same.

#### **Internal Audit & Controls**

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

#### **3. Cost Auditors**

According to Companies (Cost Records and Audit) Rules, 2014, you Company is not required to get the cost audit done for financial year 2017-18.

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

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

### **RISK MANAGEMENT POLICY**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Board of Directors has adopted a risk management policy for the company outlining the parameters of identification, assessment, monitoring and mitigation of various risks which is available on the website of the company.

### **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its

operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

### **CREDIT RATING**

Kerala Ayurveda Ltd has been awarded NSIC-CRISIL rating of **MSE2** which is valid upto 8<sup>th</sup> May, 2019.

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

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

### **CORPORATE SOCIAL RESPONSIBILITY**

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

### **DEPOSITS**

In terms of the provisions of Section 73 of the Companies Act, 2013, the company has not accepted any deposits from the public during the financial year under review and there are no outstanding fixed deposits from the public as on 31st March, 2018.

### **UNSECURED LOANS FROM DIRECTOR:**

There is no amount received as unsecured loan from directors as per Rule 2(1) (viii) provision of the Companies (Acceptance of Deposits) Rules, 2014.

### **CORPORATE GOVERNANCE**

Your company has complied with corporate governance norms as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. A detailed report on Corporate Governance in line with requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is attached to this report. A certificate from statutory auditors confirming the compliance of Corporate Governance is also attached to this report.

### **AUDIT COMMITTEE**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **EXTRACT OF ANNUAL RETURN**

As required under Section 92(3) of the Companies Act, 2013, an extract of Annual Return in Form MGT9 in **Annexure 5** forms part of this report.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

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

<b>Name of the entity</b>	<b>Relation</b>	<b>Amt in Rupees Lakhs</b>	<b>Particulars of loans, guarantees and investments</b>	<b>Purpose for which the loan, guarantee and investment are proposed to be utilized</b>
Suveda Inc. USA (formerly known as Nutraveda Inc. USA)	100% subsidiary	1,159.80	Working Capital Loan given by KAL to subsidiary	To meet the working capital requirement
Ayurvedic Academy Inc., USA	100% subsidiary	1,162.26	Working Capital Loan given by KAL to subsidiary	To meet the working capital requirement
CM S-Katra Holdings LLC, USA	81.67% subsidiary	828.67	Working Capital Loan given by KAL to subsidiary	To meet the working capital requirement
Nutraveda PTE Ltd, Singapore	100% subsidiary	0.44	Working Capital Loan given by KAL to subsidiary	To meet the working capital requirement



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

#### **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.

#### **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:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis;
5. 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
6. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO**

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 furnished in **Annexure 7** forms part of this Report

#### **HUMAN RESOURCES**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company's thrust is on the promotion of talent internally through job rotation and job enlargement.

#### **RESEARCH AND DEVELOPMENT**

The Research and Development (R&D) Center of KAL is well-equipped and is engaged in various Research activities spanning across all areas of Ayurvedic Research. During this year we have received license for Myaxyl Spray, Baby oil and many more Kashayam Tablets.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying in unpaid or unclaimed dividend 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 of the companies Act, 2013.

#### **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 2018-19 to BSE.

#### **ACKNOWLEDGMENTS**

The Board places on record its appreciation for the continued patronage, support and co-operation extended by its shareholders, customers, bankers and 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 every employees for their valuable contribution to the Company.

By order of the Board of Directors  
For Kerala Ayurveda Limited

**Ramesh Vangal**  
Chairman  
(DIN 00064018)

Place: Bengaluru  
Date : 14<sup>th</sup> August, 2018

**ANNEXURE 1  
FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Amendment Rules, 2016.  
Statement Containing Salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Amt in ` Lakhs

Sl. No.	Name of Subsidiary Company	Date since when the subsidiary	Reporting period for the	Reporting currency and Exchange rate	Share Capital	Reserves & Surpluses	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) After Tax	Proposed Dividend	% of share holding
1	Ayurvedaagrum Heritage Wellness Centre Pvt Ltd	29th March, 2004	31st March, 2010	INR	225.11	370.20	1118.80	1168.80	0	763.80	25.40	28.80	48.80	---	70
2	Syveda Inc, USA formerly NUTRAveda Inc, USA	16th May, 2006	31st March, 2018	US\$ 1 US\$= 65.04	NIL	(604.90)	1039.60	1039.60	0	103.02	12.10	0	12.10	---	100
3	Ayu Natural Medicines Clinics PH	16th May, 2006	31st March, 2018	US\$ 1 US\$= 65.04	NIL	(804.40)	0.00	0.00	0	0.00	0.00	0	0.00	---	100
4	Ayurvedic Academy Inc.	16th May, 2006	31st March, 2018	US\$ 1 US\$= 65.04	NIL	(887.90)	356.60	856.60	0	745.10	111.60	---	111.60	---	100
5	Nutraveda Pte Ltd, Singapore	21st June, 2009	31st March, 2018	S\$D 1 S\$D= 49.38	3.00	0.00	8.00	8.00	0	0	0	0	0.00	0	100
6	CMS Kerala Holding LLC, USA	9th October, 2007	31st March, 2018	US\$ 1 US\$= 65.04	0.75	301.30	362.90	362.90	58.60	0	0	0	0.00	---	21.67
7	CMS Kerala Nursing LLC, USA	9th October, 2007	31st March, 2018	US\$ 1 US\$= 65.04	0.00	(737.80)	0.00	0.00	0	0	(3.00)	0	(3.00)	---	100

Name of Subsidiaries which are yet to commence operations

(1) Nutraveda Pte Ltd

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

NIL

**Part "B": Associates and Joint Venture**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures NOT APPLICABLE**

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

For BIJU GEORGE & CO  
Chartered Accountants  
FRN: 007920S

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

Place: Bengaluru  
Date: 14<sup>th</sup> August, 2018

By order of the Board of Directors  
For Kerala Ayurveda Limited

Sd/-

Ramesh Vangal  
Chairman  
DIN 00064018