

75<sup>©</sup>  
years of ayurveda



Kerala Ayurveda Limited

28<sup>th</sup> ANNUAL  
REPORT

2019 -  
2020

Academies • Clinics • Hospitals • Products • Resorts

# OUR MILE STONES OUR HERITAGE

The Products of Kerala Ayurveda Ltd. (KAL) cover a wide range of therapeutic segments with over 350 classical and proprietary formulations, catering to bone health, diabetes, respiratory disorders, urinary tract infection, skin care, eye care, gynaecological & obstetric care, cardiovascular disorders and pain management. These products have been designed and developed after meticulous research of different ayurvedic scriptures by following the fundamental principles of process of extraction while adopting modern techniques in their method of manufacturing.

By following a rigorous scientific process and addressing all the consumer needs, KAL overcomes the challenges that Ayurveda industry faces today, to deliver products that are Safe, Pure and Effective.

KAL by virtue of its large network, has been successful in preserving the ancient science of Ayurveda, providing time tested, eco friendly, holistic approach to deliver wellness, naturally, to millions across the world!



The first Pharmacy was started at Aluva

Established 7 Pharmacies in central parts of Kerala



1<sup>st</sup> Hospital was started in Athani, Kerala

>1945



Founded Kerala Ayurveda at Aluva in Kerala at the banks of River Periyar

>1948



The first branch of Pharmacy was started at Kodungallore

>1960-70

>1965



The first set of OTC products were launched - Mathrukalpam, Iogen, Kanthakalpam, Amruthakalpam, Balakalpam

>1985



Modern Manufacturing facility with Boiler and steam jacket stainless steel vessel for processing classical products was started at Athani

Won the Kerala State Award for Best Material Management Small scale industry



Started the First treatment center at Enakulam in 1997 and the second one at Indiranagar, Bangalore 1998



A 20-bedded Hospital was started at Aluva (Amrutham) Bank Road, Kerala



1<sup>st</sup> Listed Ayurvedic Company. Public issue - Kerala Ayurveda Pharmacy Ltd. - listed Company Shares in Stock exchange



Started manufacturing Proprietary products in new & modern dosage forms (Tablets, capsules etc.)



An integrated full-fledged ayurvedic clinic by name "AMRUTHAM" was set up at Alwaye to extend a wide range of treatments including specialized in-patient treatments



Established a Herbarium and medicinal gardens growing medicinal and aromatic plants



1997-98 <

1997 <

New factory constructed at Athani, inaugurated by then Chief Minister E. K. Nayanar



1995 <

We were the pioneers to launch New dosage forms in Kerala. Series of PRD products were launched - Glymin, Biogest, Raasnagugul, Tussnil cough syrup, Myaxyl, Liposom



1992 <

Won the Kerala State Award for 'Productivity'



Received the prestigious recognition for R&D from DST (Department of science & Technology) - DSIR



1989 <

Company name was changed from Kerala Ayurveda Pharmaceuticals Limited (KAPL) to Kerala Ayurveda Limited (KAL)



Vaidyam, A quarterly journal on Ayurveda was released



Founder's Day



Merger with Katra Group



Received GMP certificate for the factory

>2001

>2003

>2005

>2007

>2000

>2003

>2004

>2006



Started a Academy for training therapists and Doctors



Ayurvedagram, the 1<sup>st</sup> wellness resort, was established at Bangalore



First International Export



Founded Kerala Ayurveda Academy in USA

Range of organic products launched in India and US



Launch of 3rd level Ayurvedic Doctor certification program in the US



Launched a range of Ayurvedic products in the US (SuVeda Range)



Scientific studies on 55 medicinal plants constituting 7 classical Ayurvedic formulations initiated for a renowned MNC



Strategic Alliances with Nag Research Laboratories (NRL) and Asthagiri Herbal Research Foundation (AHRF) for Scientific validation of products



2020

2017-18 <

2013 <

2011 <

2010 <

2009-10 <

USFDA compliant products were launched in the US



NavaVaidyaka, "Best Ayurveda Doctor in Making", award was instituted to motivate young Ayurveda doctors and students



KAL enters into c collaboration with Banaras Hindu University (BHU) under image with logo Public-Private Partnership (PPP) Model



KAL & Tata Global Beverages Ltd sign MOU to form a Joint Venture for Product Development



Started Franchise Wellness centers in Goa, Bangalore, Delhi and Jammu



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Ramesh Vangal, Chairman  
Dr. Kunjupanicker Anilkumar, Whole Time Director  
Mr. Kshiti Ranjan Das, Independent Director  
Mr. Anand Subramanian, Director  
Mr. Harish Kuttan Menon, Independent Director  
Mr. Subramaniam Krishnamurthy, Independent Director  
Mr. Gokul Patnaik, Director  
Ms. Shailaja Chandra, Independent Director

### CFO

Mr. Arvind Agarwal

### COMPANY SECRETARY

Ms. B.R. Ashitha  
(With effect from 30th June, 2020)

### CIN

L24233KL1992PLC006592

### REGISTERED OFFICE & FACTORY

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

### CORPORATE OFFICE

No.1134, 1st Floor, 100 Ft Road,  
HAL 2nd Stage, Indiranagar, Bengaluru– 560008.

### SECRETARIAL AUDITORS

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

### BANKERS

Kotak Mahindra Bank Ltd

**BOARD COMMITTEES****AUDIT COMMITTEE**

Mr. Subramaniam Krishnamurthy, Chairman  
Mr. Kshiti Ranjan Das, Member  
Mr. Anand Subramanian, Member  
Mr. Harish Kuttan Menon, Member

**NOMINATION AND REMUNERATION COMMITTEE**

Mr. Subramaniam Krishnamurthy, Chairman  
Mr. Kshiti Ranjan Das, Member  
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

**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

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## Chairman's Statement

Dear Shareholders,

As we had anticipated in last year's Chairman's report, Kerala Ayurveda demonstrated healthy growth in FY 2019-20 with consolidated revenues growing 23% despite a significant slowdown in the last quarter of FY 19-20 in our fast growing Health Service business, because of COVID related travel restraints. In addition, our Products distribution had virtually no revenues in March 2020, due to our inability to transport products to the market, when the country was locked down because of COVID. Prior to this, we were running at over a 30% growth rate.

Kerala Ayurveda Ltd ended FY 2019-20 with a Consolidated Revenue of Rs 76.83 crores up 23% vs FY 2018-19 when sales was Rs 62.18 crores. Consolidated net profit increased to Rs 4.05 crores, up 61% vs previous year. This growth has been led by two promising sectors - USA and the Digital / eCommerce India business.

Our USA business revenue grew 83% to Rs 17.04 crores in FY 2019-20 vs Rs 9.29 crores in previous year, with a significant boost in profitability to Rs 3.48 crores in FY 2019-20 from Rs 0.68 crores in FY 2018-19. The USA business is now a major contributor to the consolidated business with 22% of Consolidated net revenue in FY 2019-20 and 70% of net profits.

Our Digital / eCommerce India business Revenue grew 250% to Rs 3.01 crores in FY 2019-20 vs Rs 0.68 crores in previous year. We continue to expect strong growth in FY 2020-21 and beyond. While margins are low, we expect this to increase as the volume grows. The Digital USA business is being launched in October 2020 and we are optimistic about the growth opportunity there too and expect it to be a significant revenue and profit contributor to the USA business.

The onset of COVID makes future projections uncertain. However, we expect to thrive in the post-COVID world, since Ayurveda is clearly seen as a **Comprehensive, Integrated, Potent, 'Natural', Mainstream, Science-based solution** with well documented ancient wisdom from 5,000 years ago. Your company is uniquely positioned in that it has strengths in products, both classical and proprietary, services and also education. Your company is one of the most awarded Ayurveda companies anywhere!!

Our over 2,000 strong Student alumni in the USA will be a powerful resource to take forward the Kerala Ayurveda message to mainstream USA. Our alumni have 'graduated' in our Certified courses ranging from 625 hrs to 2,500 hrs of Ayurveda education approved by California State Board of Public and Private Education. This coupled with our launch of 148 products, many of which meet California PROP65 Quality standards (amongst the highest quality standards anywhere in the world), offer promise for the future. We expect the USA business to be a major focus for us.

We are gearing up to prepare for a challenging FY 2020-21, where the COVID impact will be severe. Short term cost optimisation and relentless focus on cash management will ensure business viability, as we move to transform the company to being consumer centric, in addition to retaining its current strength with Doctors. We will aggressively move fixed costs to variable costs to allow greater flexibility and ability to react to the changing environment.

It is a source of great satisfaction that despite your company being challenged by the Kerala floods in 2018 and now from COVID, our team work amongst staff and the entire value chain has grown strong. We will strive to build on this solidarity.

14th August 2020

Ramesh Vangal  
Chairman

**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 ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Kerala Ayurveda Limited (CIN:L24233KL1992PLC006592 ) will be held on Wednesday, 30th September, 2020 at 11 a.m. through Video Conferencing to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt:
  - a) the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, together with the reports of the Board of Directors and Auditor's thereon.
  - b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the report of the Auditor's 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.

**SPECIAL BUSINESS**

3. **Re-appointment of Mr. Kshiti Ranjan Das (DIN: 07212449), as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a **“Special Resolution”**:

**“RESOLVED THAT** pursuant to the applicable provisions of Sections 149,150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 16(1)(b) and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to re-appoint Mr. Kshiti Ranjan Das (DIN: 07212449), as Independent Director of the Company and in respect of whom the company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing him as a director, be and is hereby re-appointed as an independent director of the company for a period of five years with effect from 6<sup>th</sup> November, 2020 to hold office up to 5<sup>th</sup> November, 2025 not liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby

authorised to do all such acts, deeds, matters and things as may be necessary, and to execute all such documents, instruments and writings as may be required, proper or expedient, to give effect to this resolution and the Board may, by a resolution, delegate the aforementioned powers to any committee of directors, director(s) or any other officer(s) of the Company on such conditions as the Board may prescribe.”

**4. To renew the related party agreement with Ayurvedagram Heritage Wellness Centre Private Limited**

To consider and if thought fit, to pass 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 is hereby accorded to the Board of Directors to enter into an agreement with M/s. Ayurvedagram Heritage Wellness Centre Private Limited. for the sale of medicines upto Rs.500 lacs during the period 01.04.2020 to 31.03.2023 with a discount upto 15% on MRP as resolved by the Board of Directors in its meeting held on 14th August, being beneficial to the company.

**RESOLVED FURTHER THAT** Dr.K.Anilkumar be and is hereby authorized to execute the agreement subsequent to the approval by the Shareholders and to sign all other documents as required under the Companies Act. 2013.”

**Order of the Board of Directors**

For Kerala Ayurveda Limited

Sd/-

B.R. Ashitha

Company Secretary

Place: Bengaluru

Date: 14<sup>th</sup> August, 2020

**Notes:**

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively “MCA Circulars”), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements)



Regulations, 2015, the 28th AGM of the Company is being convened and conducted through Video Conferencing.

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. Register of Members and the Share Transfer Books will remain closed from **Thursday, 24th September, 2020 to Wednesday, 30<sup>th</sup> September, 2020** (both days inclusive).
4. Corporate Members intending to permit their authorised 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) authorised under the Board Resolution to attend and vote on their behalf at the AGM.
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. 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 through Video Conferencing and cast their votes through e-voting.
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. In line with the MCA Circulars, the notice of the 28th AGM along with the Annual Report 2019-20 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 2019-20 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 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) latest by 25th September, 2020.
13. As the 28th AGM is being held through Video Conference, the route map is not annexed to this Notice.

#### 14. 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, General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 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 Twenty Eighth 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 Video Conferencing 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 AGM through Video Conferencing 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 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 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.