21st Annual
Report 2012-13

KERALA AYURVEDA LIMITED

THE TREE OF LIFE

AyurvedaGram wins D&B-Axis Business Gaurav Award in 2012

KAL wins the safety award from Kerala Government.

KAL Opens its Treatment Center at Mangalore

Kerala Ayurveda River Retreat set up on the banks of Periyar River

New Suites at Ayurvedagram

KAL Academy Opens its New Center at Fremont USA

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN	Mr. Ramesh Vangal
VICE CHAIRMAN	Mr. Ronald George Pearce
EXECUTIVE DIRECTOR	Dr. K Anilkumar
DIRECTORS	Mr. A T Jacob Dr. K Rajagopalan Mr. M C Mohan Mr. S Krishnamurthy Ms. Katharin Zimpel Vangal Mr. Anand Subramanian (Alternate to Ms. Katharin Zimpel Vangal)
COMPANY SECRETARY	Mr. K Raghunadhan
REGISTERED OFFICE & FACTORY	VII/415, Nedumbassery, Athani P.O, Aluva-683 585, Kerala, India. info@keralaayurveda.biz www.keralaayurveda.biz
CORPORATE OFFICE	No.1134, 1st Floor, 100 Feet Road, HAL 2nd Stage, Indiranagar, Bangalore - 560 008.
AUDITORS	M/s. Maharaj Rajan & Mathew, Chartered Accountants, 32/2431, Kunnath Lane, S.N. Junction Palarivattom, Kochi - 682 025
BANKERS	AXIS Bank Ltd.
REGISTRAR & TRANSFER AGENTS	M/s. Integrated Enterprises (I) Ltd. Unit: Kerala Ayurveda Ltd. Kences Towers, 2nd Floor, No.1 Ramakrishna Street, Off North Usman Road, T Nagar, Chennai - 600 017. Ph: 044-28140801-03 Fax : 044-28142479 corpserv@iepindia.com

INSIDE THE DOCUMENT

CHAIRMAN'S STATEMENT

Dear Shareholders,

The past year has been a year of consolidation wherein we have made significant strides in our quest to bring Ayurveda to the world and are on the cusp of a new era; an era in which we successfully commercialize our R&D efforts over the past few years by launching innovative products that offer lifestyle solutions to a global customer base and firmly entrench India in general and Kerala Ayurveda in particular as a leading provider of sustainable solutions to rising global wellness aspirations.

The Global Research team comprising Renovel Discoveries, USA, Asthagiri Herbal Research Foundation, Chennai and Katra Phytochem, Bangalore work closely with Kerala Ayurveda Ltd in a synergistic manner to deliver remarkable value to place our Ayurvedic formulations and be benchmarked with pharma formulations. Research outcomes have been highly promising and have further fortified your Company's resolve to explore further and derive deeper insights.

Our work over the past couple of years have borne fruit with a portfolio of proprietary Ayurvedic formulations being put through the rigors of modern scientific validation. We have filed patents on these promising formulations to protect the significant intellectual property that we have built through our efforts and Clinical studies have been initiated with Banaras Hindu University on two promising compositions in the areas of Diabetes and Inflammation. We expect these studies to be successfully concluded during the current fiscal and provide further impetus to Ayurveda occupying a prominent position in the Global Healthcare landscape.

Our excellence in Healthcare Services earned us the prestigious **"Dun & Bradstreet – Axis Bank Business Gaurav Awards 2012"** for Ayurvedagram under the Hospitality Sector. This completes a hat trick of awards for Ayurvedagram over the last three years and bears testimony to its ability to meet consumer expectations consistently. In order to serve our growing customer base better, we have expanded our offerings in this domain by inaugurating a new wellness resort **"Kerala Ayurveda River Retreat"** on the banks of Periyar river, near Kochi in Kerala and expect to replicate the success story of Ayurvedagram in due course.

We are glad to say that the "Ayurveda Wellness Counselor" course which is also offered through distance learning, is accredited by Banaras Hindu University has enjoyed widespread acceptance and has enabled KAA, USA to overcome geographical limitations and reach a much larger audience. The growing network of Alumni from Kerala Ayurveda Academy, USA provides a perfect platform to propagate and enhance the reach of our **"SUVEDA"** range of products.

I, on behalf of all of you, sincerely thank all the stakeholders, including our suppliers, customers, bankers and every member of the staff and management for their continuous support in our journey to take Ayurveda to the world.

Bangalore
8th August, 2013

Ramesh Vangal
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Kerala Ayurveda Limited will be held on Friday, the 27th September 2013 at 2.30 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 Profit & Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date 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, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S Krishnamurthy, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Ms. Katherin Zimpel Vangal, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint M/s. Maharaj Rajan & Mathew, Chartered Accountants, Kochi, as Auditors of the company to hold office from the conclusion of this Meeting upto the conclusion of the next Annual General Meeting on such remuneration and out of pocket expenses as may be determined by the Board of Directors.

By order of the Board of Directors
For Kerala Ayurveda Limited

Place: Bangalore
Date : 8th August, 2013

K Raghunadhan
Company Secretary

Notes:

a) 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. 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.

b) The relevant details as required by Clause 49 of the Listing Agreement entered into with Stock Exchanges, of persons seeking re-appointment as Directors under item Nos. 2, 3 & 4 above are annexed hereto.

c) The Register of Members and Share Transfer Books will remain closed from 21st September 2013 to 27th September 2013 (both days inclusive).

d) 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.

REQUEST TO MEMBERS

a) 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.

b) 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 23rd September 2013.

c) 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.

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

e) **Go Green Today As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to shareholders. Members are requested to support this green initiative by updating their email addresses with the respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar & Transfer Agents, in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live. We thank shareholders for opting for e-Annual report in large nos.**

BRIEF PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

Mr. A. T. Jacob	**Non-Executive/Promoter Director**
Date of Birth	11/06/1954
Expertise in specific functional areas	He has got significant domain expertise on Plantation and Agri based products in healthcare space and he is currently serving as Managing Director of Katra Phytochem India Pvt. Ltd.
Date of appointment	31^{st} January 2009
Qualifications	B.Sc. (Botany), P.G. Diploma in Management.
Directorship held in other companies (excluding foreign companies)	Katra Phytochem (I) Pvt. Ltd., Arudrama Developments Pvt. Ltd., Avan Agro Tech Pvt. Ltd., Vector Program Pvt Ltd, Ayurvedagram Heritage Wellness Centre Pvt Ltd., Global Agrisystems Pvt Ltd, Asha Medical Foundation Pvt Ltd, KAL Ayurveda Research & Education Foundation and Renovel Discoveries Pvt Ltd.
Shareholding in the company	NIL

Mr. S Krishnamurthy	**Independent Director**
Date of Birth	22/03/1939
Expertise in specific Functional Areas	Mr S Krishnamurthy is a Senior Banker with extensive experience of over 4 decades in the Reserve Bank of India and Commercial Banks. He served as General Manager (Vigilance & Inspection/Audit) in Indian Overseas Bank, Chennai. He was Banking Ombudsman, Chennai for about two years.
Date of Appointment	2^{nd} September 2006.
Qualifications	Shri S Krishnamurthy is a first class graduate of Madras University with Master's Degree in Labour Management. He holds PG Diploma in HRM & IR & PM. He is also a Certified Associate of the Indian Institute of Bankers with a Bachelor's Degree in General Laws.
Directorship held in other companies (excluding foreign companies)	Shriram City Union Finance Ltd., Take Solutions Ltd., Shriram EPC Ltd.
Shareholding in the company	NIL
Ms. Katharin Zimpel Vangal	**Non-Executive/ Promoter Director**
Date of Birth	27/06/1973
Expertise in specific Functional Areas	Co-Founder of the Katra Group and spouse of Mr. Ramesh Vangal. Her specific focus is on healthcare and managing a diversified investment portfolio. Founded the ASHA Foundation in 2001, to help brain-injured children through comprehensive rehabilitation. She has also worked in the fashion industry in New York City.
Date of Appointment	24 February 2006
Qualifications	Degree in Art History from Canada. Studied fashion at the Fashion Institute of Technology, New York.
Directorship held in other companies (excluding foreign companies)	Katra Holding Pvt. Ltd.
Shareholding in the company	NIL

By order of the Board of Directors
For Kerala Ayurveda Limited

Place: Bangalore
Date : 8^{th} August 2013

K.Raghunadhan
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of the company together with the Audited accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

The Annual results of the company for the financial year ended 31st March 2013 as compared with the previous years are summarized below:

(₹ in Lacs)

PARTICULARS	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Gross Income	2409.48	2833.06	3285.16	3570.51
Less: VAT & Excise Duty	160.93	142.70	160.93	142.70
Net Income from Sales/Services	**2248.55**	**2690.36**	**3124.23**	**3427.81**
Profit before Interest, Depreciation & Tax (EBITDA)	260.60	177.88	310.74	84.85
Profit/(Loss) before extraordinary items	116.07	13.77	(3.27)	(190.35)
Extraordinary Items	19.69	-	19.69	-
Profit/ (Loss) Before Tax	135.76	13.77	16.43	(190.35)
Net Profit/(Loss) after Tax	90.40	7.86	(49.37)	(208.01)
Minority Interest in Profit	-	-	11.38	6.17
Net Consolidated Profit/(Loss)	**90.40**	**141.20**	**(60.75)**	**(214.19)**
Loss brought forward from previous year	(1099.58)	(1107.44)	(3305.55)	(3091.36)
Loss Carried forward to the Balance Sheet	(1009.17)	(1099.58)	(3366.30)	(3305.55)

PERFORMANCE ANALYSIS

During the financial year under review, the operational results ended with a Profit before Extraordinary items at ₹ 116 Lacs as against ₹ 14 Lacs in the previous year, showing a marked improvement. The total revenue of the company stands at ₹ 2,249 Lacs as against ₹ 2,690 Lacs in the previous financial year. The consolidated revenues including its subsidiaries for the year stands at ₹ 3,124 Lacs against ₹ 3,428 Lacs during previous year.

DIVIDEND

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

BUSINESS REVIEW

During the financial year under review, your company started a wellness resort by the side of river periyar at Aluva under the name **"Kerala Ayurveda River Retreat"** with a view to provide authentic ayurveda treatments in the natural and soothing environment of a river bank. Company also established a new Treatment center at Mangalore in order to improve the presence in Karnataka.During the year Aluva Hospital was awarded **"Green Leaf"** certification by the Kerala Tourism Department and also won award for **"Innovative introductions in clinical practice" by AHMA (Ayurveda Hospital Managements Association).**

Proprietary Ayurvedic formulations after being put through the rigors of modern scientific validation were shortlisted and patents have been filed to protect the significant intellectual property that we have built through our efforts and Clinical studies have been initiated with Banaras Hindu University on two promising compositions in the areas of Diabetes and Inflammation. We expect these studies to be successfully concluded during the current fiscal.

PERFORMANCE OF SUBSIDIARIES

Indian Subsidiary

During the year under review, M/s. AyurvedaGram Heritage Wellness Centre Pvt. Ltd. has achieved a turnover of ₹443 Lacs against a turnover of ₹ 365 Lacs in the previous financial year clocking a growth of 21%. The Net profit of the company, after providing for tax has increased to ₹ 44 Lacs from ₹ 24 Lacs in the previous year. Ayurvedagram has been awarded the **"Dun & Bradstreet – Axis Bank Business Gaurav Awards 2012"** as the best Micro Enterprise under the Hospitality Sector.

Overseas Subsidiaries

The combined turnover of overseas subsidiaries was ₹ 492 Lacs as compared to ₹ 426 Lacs in the previous year. During the year a new Kerala Ayurveda Academy and Wellness Center was started at Fremont in California which is the most Pro-ayurveda state in USA. A state of art ayurveda teaching facility and treatment center has been established to propagate ayurveda in USA.

CORPORATE SOCIAL RESPONSIBILITY

Your company always have a deep sense of responsibility towards the community. Company conducted medical camps and free medical check ups at various places.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors do hereby confirm that:

a) In the preparation of the Annual Accounts for the year ended 31st March 2013, the applicable accounting standards had been followed along with proper explanations and there were no material departures.

b) 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 as on 31st March 2013 and of the profit of the company for the year ended 31st March 2013.

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) The Annual accounts have been prepared on a going concern basis.

DEPOSITS

In terms of the provisions of Section 58A of the Companies Act, 1956, 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 pubic as on 31st March 2013.

HUMAN RESOURCE MANAGEMENT/INDUSTRIAL RELATIONS

Employee relations in the company continued to be positive though out the year. We are building a global company positioned and poised to reach out for ever greater achievements. Our culture speaks of inclusiveness, empowerment, innovation and a thrust on continuous improvement.

ENERGY CONSERVATION, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under sub-section (1) (e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in the annexure to this report.

PARTICULARS OF EMPLOYEES

There are no employees coming under the purview of Sec 217(2A) of the Companies Act 1956 read with the rules made there under.

CORPORATE GOVERNANCE

Your company has complied with corporate governance norms as stipulated by Listing Agreement entered into with Stock Exchanges. A detailed report on Corporate Governance in line with requirements of clause 49 of the Listing Agreement and a certificate of statutory auditors confirming the compliance of Corporate Governance are attached to this report.

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, which forms part of this report.

DIRECTORS

Mr. A T Jacob, Mr. S. Krishnamurthy and Ms. Katherin Zimpel Vangal, Directors of the company retire by rotation at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the Accounting Standard (AS-21) on consolidated financial statements read with Accounting Standard (AS-23) on Accounting for Investments in Associates. These financial statements are based on the audited financial statements of the respective subsidiaries.

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

* CMS Katra Holdings LLC holds 51% shareholding in CMS Katra Nursing LLC and Ayu Inc holds the balance 49% shareholding; hence it is a fully owned step down subsidiary of your company.

The Annual Reports of the subsidiary companies are not annexed pursuant to the general exemption under sec. 212(8) of Companies Act, 1956, granted by the Central Government. However, summarized financial statement of all subsidiaries in accordance with said government approval, forms part of this annual report. Copy of annual accounts of the subsidiary companies and other related information shall be made available to the members who seek such information, at any point of time. The annual accounts of subsidiary companies are kept at the registered office of the company and at the subsidiaries concerned, for inspection of the members.

AUDITORS

The term of Auditors, M/s. Maharaj Rajan & Mathew, Chartered Accountants, Kochi, expires at ensuing Annual General Meeting and they are eligible for re-appointment. The Audit Committee has recommended their reappointment. The requisite certificate from Auditors, pursuant to Section 224(1B) of the Companies Act, 1956 has been received. Your directors recommend their re-appointment for the ensuing financial year.

ACKNOWLEDGEMENTS

The Board of Directors place on record its gratitude to shareholders, customers, bankers and all Government and statutory agencies, which had extended unstinted support and co-operation to the company during the year. Your Directors would further like to record appreciation of the efforts of every employee for their valuable contribution to the company.

For and On behalf of the Board of Directors
Kerala Ayurveda Ltd.

Place : Bangalore
Date : 29th May, 2013

Ramesh Vangal
Chairman

ANNEXURE TO DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS REPORT.

FORM A

		2012-13	2011-12
A.	Power and Fuel Consumption		
1.	Electricity		
a.	Purchase units	1,93,902	2,01,794
	Total Amount	₹.12.21lacs	₹.10.27lacs
	Cost/ Unit	₹. 6.30/unit	₹.5.10/Unit
b.	Own generation through Diesel		
	Generator Units	11,744	8,143
	Unit/Ltr. of diesel	2.61	2.66
	Cost/unit (Rs)	17.39	16.85
2.	Coal	NIL	NIL
3.	Furnace Oil		
	Quantity (K.Ltr)	204.16KL	194.87KL
	Total amount	₹. 85.94Lacs	₹. 82.14Lacs
	Average Rate (₹./K.Ltr)	₹. 42,094/-	₹. 42,151/-
4.	Others/Internal Generation	NIL	NIL

B. . Consumption per unit of production:

The company has more than 300 heterogeneous products sold in lacs of units. Hence, the per unit consumption is negligible and it is not possible to fix standards for each products.

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.

Research and Development (R&D)

Specific areas in which R&D Carried out by the company	:	Proprietary Ayurvedic formulations after being put through Carried out by the company the rigors of modern scientific validation were shortlisted for further research and trials. Working jointly with TATA GLOBAL BEVERAGE LIMITED to identify additives which can be added to existing and new innovative line of TBGL products. Clinical Trials are under progress.
Benefits derived as a result of R&D	:	Patent applications have been filed to protect significant intellectual property that we have built through our efforts.
Future plan of action	:	Identify new proprietary formulations with applications in Multiple fields.

2. Expenditure on R&D(₹. Lacs)		2012-13	2011-12
a) Capital	:	₹.0.45	₹. 1.55
b) Recurring	:	₹.293.45	₹.401.98
Total	:	₹. 293.90	₹.403.52
c) R&D expenditure as a % of total Income	:	13 %	15 %

Technology absorption, adaptation and innovation:

During the year, company has not imported any technology. All developments were done indigenously.

Foreign Exchange Earnings and Outgo

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

Foreign Exchange earnings & outgo	Current year	Previous year
Earnings	₹. 56.17 Lacs	₹. 65.67 Lacs
Out go	₹. NIL	₹. NIL

For and on behalf of the Board of Directors
Kerala Ayurveda Ltd.

Place: Bangalore
Date : 29th May, 2013

Ramesh Vangal
Chairman

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Kerala Ayurveda believes that Corporate Governance is inevitable for improving efficiency and growth as well as enhancing investor confidence. Company has sound corporate practices and conscience, openness, fairness, professionalism and accountability led it to the great success. The company is adhering strictly to regulatory frameworks. Transparency, accountability, fairness and intensive communication with stakeholders are integral part of our policy.

2. BOARD OF DIRECTORS

The KAL Board comprises of Executive, Non-Executive and Independent Directors. The Chairman of the company is a Non-Executive Promoter Director. The composition of the Board of Directors as on 31st March 2013 is in accordance with provisions of Clause 49 of the Listing Agreement entered into with Stock Exchanges. All the directors have informed the company periodically about their directorship and Membership on the Board Committees of other companies. As per disclosure received from Director(s), none of the directors holds membership in more than ten (10) Committees and Chairmanship in more than five (5) committees.

The Board of Directors, overviews the performance of the Company, approves and reviews policies/strategies and evaluates management performance. The composition of the Board of Directors, Board Meetings held during the year under review and other relevant details are given below:

a) Composition of the Board

Sl. No.	Directors	Nature of Directorship	No. of Board Meetings held	No. of Board meetings attended	Attendance at Last AGM
1	Mr. Ramesh Vangal	Non-Executive Chairman/ Promoter Director	5	4	Yes
2	Mr. Ronald George Pearce	Non-Executive Vice- Chairman/ Independent Director	5	0	No
3	Dr. K Anilkumar	Executive /Promoter Director	5	5	Yes
4	Dr. K Rajagopalan	Non-Executive/ Independent Director	5	3	Yes
5	Mr. M C Mohan	Non-Executive/ Independent Director	5	1	No
6	Mr. S Krishnamurthy	Non-Executive/ Independent Director	5	5	Yes
7	Ms. Katharin Zimpel Vangal*	Non-Executive/ Promoter Director	5	5	Yes
8	Mr. A T Jacob	Non-Executive/ Promoter Director	5	5	Yes

*Attended by Alternate Director Mr.Anand Subramanian.

b) Meetings of the Board

Date of Board Meeting	Total Strength of the Board	No. of Directors Present
14th May 2012	8	6
14th August 2012	8	6
28th September 2012	8	5
3rd November 2012	8	5
13th February 2013	8	6

c) Other Directorships

Name(s) of Directors	No. of Directorship in other Boards.	No. of Chairmanship in other Boards	No. of Membership in other Board Committees	No. of Chairmanship in other Board Committees
Mr. Ramesh Vangal	12	0	0	0
Mr. Ronald George Pearce	1	0	0	0
Dr. K Anilkumar	2	0	2	0
Dr. K Rajagopalan	NIL	0	0	0
Mr. M C Mohan	NIL	0	0	0
Mr. S Krishnamurthy	3	0	10	0
Ms. Katharin Zimpel Vangal	1	0	0	0
Mr. A T Jacob	8	0	0	0
Mr. Anand Subramanian	5	0	0	0

d) Pecuniary relationship or transactions

Apart from receiving Directors Sitting Fees, the Independent Directors do not have any material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries.

Mr. Ramesh Vangal, Chairman and Ms. Katharin Zimpel Vangal, Director are related Directors.

e) Prevention of Insider Trading

The CODE OF CONDUCT for prohibition of insider trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992, adopted by Board of Directors is being complied with. This code is applicable to all Directors and senior managerial personnel. Mr. K Raghunadhan, Company Secretary is the Compliance Officer for monitoring adherence to the code.

3. AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee is in strict adherence with the requirements specified in Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The terms of reference of the Audit Committee interalia include the following:

1. Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of auditors remuneration.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the quarter and annual financial statements before submission to the Board for approval.
5. Reviewing, with the management, performance of statutory and internal auditors, and assessing adequacy of the internal control systems.

Composition and Attendance

The Audit Committee at present comprises of four Directors viz. Mr. S Krishnamurthy, Mr. M C Mohan, Ms. Katharin Zimpel Vangal and Dr. K Rajagopalan. Mr S Krishnamurthy is Chairman of the Committee. During the financial year under review, four Audit Committee Meetings have been held on the following dates: 1)14th May 2012, 2)14th August 2012, 3)3rd November 2012, and 4)13th February 2013. The particulars of Meetings attended by the members of the Audit Committee are given below;

Name of the Director	No. of Meetings	No. of Meetings attended
Mr. S Krishnamurthy	4	4
Mr. M C Mohan	4	1
Ms. Katharin Zimpel Vangal *	4	4
Dr. K Rajagopalan	4	3

* Attended by Alternate Director Mr. Anand Subramanian

4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Share Holders / Investors Grievance Committee ensures speedy disposal of the share transfer requests both demat and physical shares received by the company. The company apart from overseeing the share transfer process also looks into any investor complaints.

Composition and Attendance

The present, Shareholders/Investors Grievances Committee consists of 3 Directors viz. Dr. K Anilkumar, Dr. K Rajagopalan and Mr. A T Jacob. During the financial year, 13 meetings of the Committee were held. The particulars of meetings attended by the members of the Committee are given below;

Name of Director	No. of Meetings	No. of Meetings attended
Dr. K Anilkumar	13	13
Dr. K Rajagopalan	13	2
Mr. A T Jacob	13	13

During the period under review, the Company has received NIL queries from the shareholders which were attended to/resolved satisfactorily. There were no pending complaints and share transfers as on 31st March 2013. The Minutes of the Share Transfer Committee were noted by the Board at the subsequent Board Meetings.

Mr. K Raghunadhan, Company Secretary is the Compliance Officer of the Company. In terms of the clause 47(f) of the Listing Agreement, your Company has an exclusive E-mail ID viz. investor@keralaayurveda.biz for registering investor complaints/grievances, if any and the same will be under the control of compliance officer of the Company. The Company has displayed the said e-mail ID on its website for the use of investors.

5. CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee at present comprises of 3 Directors viz. Mr. Ramesh Vangal, Dr. K Rajagopalan and Ms. Katharin Zimpel Vangal. The committee reviews good corporate governance practices followed by the Company so as to ensure that these practices reflect the latest developments in the corporate arena.

6. REMUNERATION COMMITTEE

The Remuneration Committee of the Board consists of 3 Directors viz. Mr. S Krishnamurthy, Mr. Ramesh Vangal and Dr K Rajagopalan. Terms of reference of the Remuneration Committee are in accordance with the guidelines set out in the Listing Agreement entered into with Stock Exchanges that interalia includes determination of the Company's policies on specific remuneration packages for Executive Directors. The Committee reviews from time to time the payments made to Executive Directors and the Board confirms the same. During the financial year under review one remuneration committee meeting was held on 14th August 2012.

Name of Director	No. of Meetings	No. of Meetings attended
Mr. S Krishnamurthy	1	1
Dr. K Rajagopalan	1	0
Mr. Ramesh Vangal	1	1

Remuneration to Directors

The Non-Executive Independent Directors are being paid sitting fees of ₹ 15,000/- for every Board Meeting attended by them and sitting fees of ₹ 10,000/-, for every Committee Meeting except the Meeting of the Shareholders/Investors' Grievances Committee, fees of which is ₹ 5,000/-.

The details of the remuneration package/sitting fees provided to the Directors during the financial year 2012-13 is as follows:

Executive Directors

Amount in ₹

Name	Basic Salary	Special Allowance & HRA	Contribution to Statutory funds	Total
Dr. K Anilkumar, Executive Director	1,500,000	1,320,000	180,000	3,000,000

Non Executive Directors

Name	No. of Board Meetings attended	No. of Committee Meetings attended	Amount of Sitting Fees paid (₹)
Mr. Ramesh Vangal	4	1	0
Mr. Ronald George Pearce (Independent Director)	0	0	0
Dr. K Rajagopalan (Independent Director)	3	5	85,000
Mr. S Krishnamurthy (Independent Director)	5	5	1,25,000
Mr. M C Mohan (Independent Director)	1	1	0
Ms. Katharin Zimpel Vangal	0	0	0
Mr. A T Jacob	5	13	0
Mr. Anand Subramanian	5	4	0

Details of shares of the Company held by Directors of the Company as on 31st March 2013 are given below:

Name	No. of Shares	% to Paid up Capital
Dr. K Anilkumar	344,129	3.26

7. GENERAL BODY MEETINGS

a) *Annual General Meetings*

The details of Annual General Meetings held during last 3 years are given below:

Financial Year	Day & Date	Time	Venue	No. of Special resolutions passed at AGM
2009-10	Thursday 30th September 2010	11.30 A.M.	Green Park Auditorium, N H 47, Desom, Aluva	Nil
2010-11	Wednesday 28th September 2011	3.00 P.M.	Green Park Auditorium, N H 47, Desom, Aluva	Nil
2011-12	Friday 28th September 2012	2.50 P.M.	Green Park Auditorium, N H 47, Desom, Aluva	1

b) *Special Resolutions passed at last 3 AGMs*

Special Resolutions for the following matters were passed at above referred AGMs by the shareholders with requisite majority:

Sl.	Date	Subject matter of Special resolution.
01	28th September 2012	Re-appointment and fixing remuneration of Dr. K Anilkumar, Executive Director of the company

c) *Postal Ballot:*

There was no resolution passed through postal ballot during the financial year under review.

8. DISCLOSURES

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

b) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

c) As per Clause 49(V) of the Listing Agreement, the Executive Director and CFO of the company has certified to the Board on their review of financial statements and cash flow statements for the financial year ended 31st March 2013 in the form prescribed by Clause 49 of the Listing Agreement.

d) No penalty levied by Customs and Central Excise.

e) As required under clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Directors and the Senior Management have confirmed compliance with the CODE OF CONDUCT & ETHICS for the financial year ended 31st March 2013.

f) The Company at present has not adopted any Whistle Blower Policy. However, any employee would have access to meet senior level management and report on any points of concern.

g) The Company and its subsidiaries are part of Katra Group. As these companies exercise control over the Company, they constitute the group as defined under Regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 read with section 2(ef) of the Monopolies and Restrictive Trade Practices Act, 1969. The group companies are as follows:

Arudrama Developments Pvt. Ltd.	Katra Phytochem India Pvt. Ltd.
Global AgriSystem Pvt. Ltd.& Its subsidiaries	Mason & Summers Alcobev Pvt. Ltd & Its subsidiaries.
Katra Holding Pvt. Ltd.	Segrow Bio-Technics India Pvt. Ltd.
Katra Marine Pvt. Ltd.	Mason & Summers Leisure Pvt. Ltd

9. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the company are being sent to the Stock Exchanges immediately after the approval of the Board. These results are published in the news papers viz. Business Line (English daily) as well as in Deepika (Malayalam daily), within forty-eight hours of approval thereof. These are also displayed on the Company's website **'www.keralaayurveda.biz'** shortly after its submission to the Stock Exchanges. Thus, the same are not being sent to the shareholders separately and company has not made any presentation to the Institutional Investors or Analysts during the year under review. All data relating to quarterly financial results, shareholding pattern, corporate announcement etc. are also available at the website 'www.corpfiling.co.in' being jointly maintained by BSE & NSE.

10. GENERAL SHAREHOLDER INFORMATION:

i) **Annual General Meeting**

Day, Date and Time	-	Friday, 27th September, 2013 at 2:30 PM
Venue	-	Green Park Auditorium, NH47, Desom, Aluva-683103

ii) **Financial year** - 1st April to 31st March, 2013

iii) **Financial Reporting for the Quarter**
(Calendar Tentative & Subject to change)

1st quarter ending 30th June, 2013	-	August 2013 (2nd Week)
2nd quarter ending 30th September, 2013	-	November, 2013 (2nd Week)
3rd quarter ending 31st December, 2013	-	February, 2014(2nd Week)
4th quarter ending 31st March, 2014	-	May, 2014 (4th Week)

iv) **Date of Book Closure** - 21st September to 27th September, 2013 (Both days are inclusive)

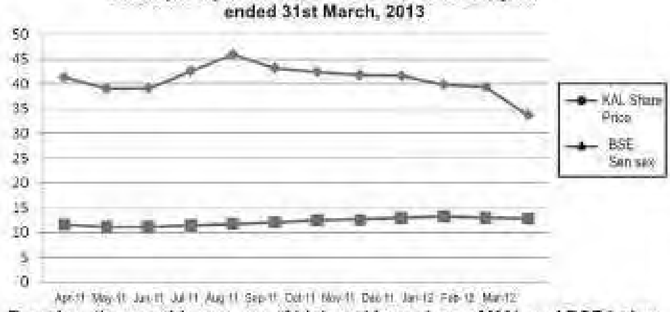
v) **Dividend payment date** - No dividend has been recommended by the Board

vi) **Listing on Stock Exchanges:**
The equity shares of the Company are listed on following Stock Exchanges:
a) Bombay Stock Exchange (Stock code : 530163)
b) Cochin Stock Exchange (Stock Code: KAM)

vii) **Annual Listing Fees:**
Annual Listing Fees for the financial year 2013-14 to BSE & CSE has been paid.
CIN No. of the company: **L24233KL1992PLC006592**

viii) **Stock Price performance:** KAL vs. BSE Sensex.

Stock price performance KAL vs BSE sensex year ended 31st March, 2013



Based on the monthly average of high and low prices of KAL and BSE index

ix) **Market Price Data** : High/Low during each month in last financial Year at Bombay Stock Exchange. (₹)

Months	High	Low	Months	High	Low
April-12	47	36	Oct-12	46	38
May-12	45	33	Nov-12	45	39
June-12	42	36	Dec-12	44	39
July-12	48	38	Jan-12	43	37
Aug-12	53	39	Feb-13	42	37
Sept-12	51	36	Mar-13	39	29

x) Registrar & Share Transfer Agents:

M/s. Integrated Enterprises (India) Ltd, Chennai is the Registrar & Transfer Agent of the company. Share Transfers, Dematerialization of shares and all other investor related activities are attended and processed at the office of the Registrar & Transfer Agent. Share holders/ Investors/Depository Participants are requested to send all their documents and communications pertaining to both physical and demat shares to the Registrar at the following address:

M/s. Integrated Enterprises (India) Ltd.,
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

xii) Share Transfer System:

At the meetings of the Shareholders/Investors Grievance Committee of the Board, proposals for Share Transfer are being placed and the same are processed within 15 days from the date of receipt subject to the transfer instrument being valid and complete in all respects. Under the same system, the shareholder can approach a Depository Participant (DP) with physical share certificates for dematerialization. The DP will generate a Demat request which will be sent to the Registrar and Transfer Agent along with share certificates. On receipt of the same the Registrar and Transfer Agent will Demat the shares. The Company is also offering a sub division cum Demat scheme for those shareholders who are submitting their shares for sub division. In compliance with the Listing guidelines, every six months, a Practicing Company Secretary audits the system of Transfer and a certificate to that effect is issued.

xii) Distribution of Share holding as on 31st March, 2013

Sl No.	Nominal value of shares (in Rupees)		No of Holders	% to total Holders	Total face value of shares (in ₹)	% to total face value
1	1	5,000	6,870	90.85	64,53,000	6.11
2	5,001	10,000	320	4.23	25,25,000	2.39
3	10,001	20,000	171	2.26	26,24,240	2.49
4	20,001	30,000	60	0.80	15,05,870	1.43
5	30,001	40,000	29	0.38	10,71,720	1.02
6	40,001	50,000	32	0.42	15,03,720	1.42
7	50,001	100,000	34	0.45	25,77,090	2.44
8	Above	100,000	46	0.61	87,296,060	82.70
	Total		7,562	100.00	1,05,556,700	100.00

xiii) Shareholders Profile as on 31st March, 2012

Sl	Category	Holders	Holders %	No. of Shares	Shares %
1	Clearing Members	29	0.38	38,715	0.36
2	Corporate Bodies	125	1.65	4,60,858	4.37
3	Public	7,330	96.94	28,35,998	26.86
4	Mutual	1	0.01	2,976	0.03
5	NRI / Foreign National	76	1.01	7,23,688	6.86
6	Foreign Promoter	1	0.01	64,93,435	61.52
	Total	7,562	100	10,555,670	100.00

(xiv) Global Depository Receipts etc.

The capital of the company comprises only Equity shares and the company having no preference shares, outstanding ADRs or GDRs.

(xv) Dematerialisation of shares

The shares of the company are available for trading in the Depository systems of both the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL) (ISIN No. INE817B01025).

The paid-up capital of your Company as on 31st March 2013 is ₹ 10,55,56,700/- consisting of 10,555,670 shares of ₹10 each which were listed on BSE and CSE. Out of the total number of listed shares, 8,904,787 shares forming 84.36%

and 719,556 shares forming 6.82% stand dematerialized in NSDL and CDSL respectively and remaining 931,327 shares being 8.82% stands in physical form as on same date. The Company has established connectivity with both the Depositories through our Registrars, Integrated Enterprises (India) Ltd.

The Secretarial Audit is carried out by the Practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital.

(xvi) Plant Location

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

Kerala Ayurveda Ltd.,
Raw Drug Division
Athani P.O, Kottai – 683585

(xvii) Address for correspondence

The shareholders may address their communications/suggestions/queries to:

Company Address	Registrar and Transfer Agent
The Company Secretary & Compliance Officer, M/s. Kerala Ayurveda Ltd., VII/415, Nedumbassery, Athani P O, Aluva-683585. Ph : 0484-2476301 (4 lines) Fax : 0484-2474376 Email: companysecretary@keralaayurveda.biz : investor@keralaayurveda.biz	M/s. Integrated Enterprises (I) Ltd. Kences Towers 2nd Floor Ramakrishna Street Off North Usman Road T Nagar, Chennai-600017 Ph: 044-28140801-03 Fax : 044-28142479 E-mail : corpserv@iepindia.com

11. NON-MANDATORY REQUIREMENTS

1) The Corporate office of the Company supports the Chairman in discharging his responsibilities.
2) The company has setup a Remuneration Committee of the Board and the details of the same have already been given above.
3) As the Company publishes the quarterly financial results in English Newspaper having circulation all over India and in vernacular Newspaper, the same are not sent to each shareholder.
4) The Company did not have any qualifications in the Auditors Report for the financial year 2012-13. The Company continues to adopt best practices to ensure regime of unqualified financial statements.
5) The Company's Board of Directors comprise of professionals with expertise in their respective fields and industry. They endeavor to keep themselves abreast with changes in global economy and various legislations.
6) The Company does not have a mechanism to evaluate the performance of the Non-Executive Directors of the Company.

On behalf of the Board of Directors

Place : Bangalore
Date : 29th May, 2013

Ramesh Vangal
Chairman

CODE OF CONDUCT- DECLARATION UNDER CLAUSE 49(I)(D)

To,
The Members of
Kerala Ayurveda Ltd.,

In pursuance of the provisions of Clause 49 (I)(D) of the Listing Agreement entered into with the Stock Exchanges, all Directors and the Senior Management have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2013.

For **Kerala Ayurveda Ltd.**

Place: Bangalore
Date : 29th May, 2013

Dr. K Anilkumar
Executive Director

AUDITORS CERTIFICATE

To the Members of
KERALA AYRUVEDA LTD

We have examined the compliance of conditions of Corporate Governance by Kerala Ayurveda Ltd, for the financial year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and, to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Maharaj Rajan & Mathew,
Chartered Accountants
Firm Regn No: 001932S

Place: Bangalore
Date : 29th May, 2013

Mathew Joseph, Partner
Membership No.22658

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

World Economy and Industry Overview

The global economic environment continued to remain uncertain with signs of concern and slow growth. After the marked down-turn over the past two years, the global economy is expected to slowly gain momentum in 2013-14. The U.N has projected a growth rate of 2.3 per cent in 2013, the same pace as in 2012 which is expected to moderately strengthen at 3.1 per cent in 2014.

India Economic Overview

Within the domestic economy, growth slowed much more than anticipated, with the GDP growth for fiscal year 2012-13 being pegged at 5.0 per cent, the lowest in the decade. Inflation, which remained high through most part of the year, at 7.3% (WPI) and 10.2% (CPI) eroded domestic consumer savings and curtailed consumption reflecting in slowing market growth.

Ayurvedic Industry

Among the various countries where Ayurveda has popularized, the status of Ayurveda varies widely. The trade, practice and education of Ayurveda are prevalent in many countries, but it has not been recognized legally as a Medical system. However, Ayurveda has established its position around the globe as a unique health care system with a holistic solution to many complex health hazards. The flourish of the system has to be positively channeled to benefit the maximum people with minimum expense. The ultimate aim is to enhance its utility and offer a cost effective and safe health care to the public at large.

Business Overview

Ayurveda by itself is a contribution to mankind in its quest towards human well being. Kerala Ayurveda Ltd, hereinafter referred as KAL, was founded in 1945. With an experience over 65 years and through a unique combination of heritage richness and investment in technology, KAL has developed into full spectrum Ayurveda Company, encompassing Academies, Products, Clinics, Hospitals, Resorts and Research. Over the years, KAL has developed proprietary formulations which have been widely accepted in the market. KAL has constantly endeavoured to deliver authentic ayurveda to the world through its chain of hospitals, treatment centers and consultation clinics. The KAL Herbarium which has more than1500 varieties of plant has won many accolades. It has launched a Therapist Diploma course at its academy under the Kerala Education Department guidelines.

Business Review

The business review has been dealt with in detail in the Directors Report forming part of this Annual Report.

Future Outlook

The initiative by the Government of Kerala to promote and upgrade ayurveda products has asserted the opportunities for growth of Ayurveda business. The company strategy for long-term profitability is to scale up its core business of authentic ayurveda with increased focus on customer satisfaction. The company has launched new clinics and wellness centers during the year and has made commendable progress in its research and development for new cures. The following are some of the key business strategy of KAL

- Develop products and technology platform for the unmet medical need that add meaningful value
- Provide customer centric services to build deep and long lasting customer relationship
- Concentrate on the export market to tap the potential demand for ayurvedic preparations in the global market
- Investment in new treatment centers, hospitals and product distribution networks. In this regard a new Kerala Ayurveda River Retreat has been started in Aluva on the Banks of River Periyar.

Strengths

We believe the following are our competitive strengths

- Fully integrated and GMP manufacturing facility to manufacture both classical and proprietary ayurvedic formulations in the most hygienic and strict adherence to prescribed norms
- Competent and experienced team of experts for the standardization of treatments
- Well established network of clinics and treatment centre and distribution centers
- Commendable progress in development of products for Tata Global Beverages Ltd

Challenges

Major challenges for Ayurveda industry are regulatory concerns, consumer perceptions and competition. The regulatory agencies all over the world are focusing on the Quality, efficacy, safety and standardization of herbal medicines. The new guidelines from USFDA and EMEA cover the need for documentation in the above areas.

Human Resource

Continuing Training programs for employees by internal faculties have greatly contributed to the HR development of our employees. The company has focused strategy to attract, integrate, develop and retain the best talent required for driving the business growth.

Internal Control System

KAL has in place a well defined organizational structure and adequate internal controls for efficient operations. The team has in place internal policies, and is cognizant of applicable laws and regulations particularly those related to protection of resources and assets, and the accurate reporting of financial transactions. The company continually upgrades these systems.

Cautionary Statement

The statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be treated as 'forward looking statements' within the meaning of applicable laws and regulations. The success in realizing these goals depends on various factors, both internal and external. Therefore, the investors are requested to make their own independent judgments by taking into account all relevant factors before taking any investment decision.

INDEPENDENT AUDITORS' REPORT

To
The Members of
KERALA AYURVEDA LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of **Kerala Ayurveda Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash flow statement or the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and

(b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211of the Companies Act, 1956;
   e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act

For **Maharaj Rajan & Mathew,**
Chartered Accountants
Firm Regn No: 001932S

Place: Bangalore
Date : 29th May, 2013

Mathew Joseph, Partner
Membership No.22658

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

I. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

II. In respect of its inventories:

a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

III. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

a) The Company has given unsecured loans to subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹.**286,485,728/-** and the year-end balance is ₹.**286,485,728/-**

b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.

c) The loan is interest free and principal amounts are repayable on demand.

d) In respect of the said loans and interest thereon, there are no overdue amounts.

e) The Company has taken additional loan during the year from Group Company of the promoter. . In respect of the said loans, the maximum amount outstanding at any time during the year was ₹. **550,165,937/-** and the year-end balance is ₹.**534,488,566/-**.

f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company

g) The loan is interest free and principal amounts are repayable on demand.

IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of fixed assets and for the services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

V. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) As per information & explanations given to us and in our opinion, the transactions

made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.

VI. In our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and provisions of section 58 A and 58AA of the Companies Act, 1956 and the Rules framed there under to the extent applicable have been complied with.

VII. In our opinion the Company has an internal audit system commensurate with the size and the nature of the business.

VIII. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

IX. In respect of statutory dues:

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.

X. The Company's accumulated losses at the end of the financial year is less than 50% of its net worth. The Company has not incurred any cash loss during the financial year covered by the audit and in the immediately preceding financial year.

XI. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

XII. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

XIII. In our opinion, the Company is not a chit fund /nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.

XIV. According to the information and explanations given to us the Company has not dealt in shares or in securities or debentures or other investment during the year.

XV. In our opinion and according to the information and explanations given to us the terms and conditions on which the company has given guarantee for loans taken by subsidiary company from banks are not prima-facie prejudicial to the interest of the company.

XVI. The Company has not raised any new term loan during the year. The term loans outstanding at the beginning of the year have been applied for the purpose for which they were obtained.

XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.

XVIII. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

XIX. The company has not issued debentures and hence requirement of reporting regarding creation of securities in respects of debentures issued does not arise.

XX. The Company has not raised any monies by way of public issues during the year

XXI. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **Maharaj Rajan & Mathew,**
Chartered Accountants
Firm Regn No: 001932S

Mathew Joseph, Partner
Membership No.22658

Place: Bangalore
Date : 29th May, 2013

KERALA AYURVEDA LIMITED

BALANCE SHEET AS AT 31st MARCH 2013

	Particulars	Note No.	As at 31st March, 2013 Amount in ₹	As at 31 st March, 2012 Amount in ₹
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	2	105,556,700	105,556,700
	(b) Reserves and Surplus	3	18,506,692	9,466,288
	(c) Money Received against Share Warrants	4	1,432,494	1,432,494
			125,495,886	116,455,482
2	Non-Current Liabilities			
	(a) Long-Term Borrowings	5	534,735,218	471,660,513
	(b) Other Long-Term Liabilities	6	2,965,500	887,500
	(c) Long-Term Provisions	7	7,256,308	6,518,511
			544,957,026	479,066,524
3	Current liabilities			
	(a) Short term Borrowings	8	45,232,804	48,651,529
	(b) Trade payables	9	20,198,437	14,038,548
	(c) Other current liabilities	10	18,686,973	18,010,567
	(d) Short-term Provisions	11	4,164,303	3,768,116
			88,282,517	84,468,760
	TOTAL		758,735,429	679,990,766
B	ASSETS			
1	Non-Current assets			
	(a) Fixed Assets			
	(i) Tangible Assets	12	170,500,527	138,565,873
	(ii) Intangible Assets	13	-	978,378
	(b) Non Current Investments	14	114,385,470	114,103,535
	(c) Deferred Tax Assets (Net)		31,723,120	36,259,441
	(d) Long-Term Loans and Advances	15	355,732,429	319,341,918
			672,341,546	609,249,145
2	Current Assets			
	(a) Inventories	16	32,329,950	29,121,654
	(b) Trade Receivables	17	42,765,687	27,922,687
	(c) Cash and Cash equivalents	18	8,263,253	8,582,881
	(d) Short-Term Loans and Advances	19	3,034,993	5,114,399
			86,393,883	70,741,621
	TOTAL		758,735,429	679,990,766
	Significant accounting policies	1		
	See accompanying notes 1 to 36 forming part of the financial statements.			

In terms of our report attached.

For MAHARAJ RAJAN & MATHEW,
Chartered Accountants
FRN: 001932S

MATHEW JOSEPH B.Com.,FCA
Partner
MEM REGN No. 22658

Bangalore
29th May, 2013

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

Dr. K ANILKUMAR
Executive Director

A T JACOB
Director

K RAGHUNADHAN
Company Secretary

KERALA AYURVEDA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

SL	Particulars	Note No.	For the year ended 31st March, 2013 Amount in ₹	For the year ended 31st March, 2012 Amount in ₹
1	Revenue from operations	20	240,880,729	283,081,417
	Less: Excise Duty & VAT		16,093,070	14,270,012
	Net Revenue from operations		224,787,659	268,811,405
2	Other income	21	67,745	225,039
3	Total revenue		224,855,404	269,036,444
4	Expenses			
	(a) Cost of Materials consumed	22	57,822,706	59,017,289
	(b) Purchases of Medicines (Stock In Trade)	23	1,714,967	1,385,386
	(c) Changes in Inventories of FG, WIP & Stock In Trade	24	(1,355,553)	29,219,470
	(d) Employee benefits expense	25	73,350,461	83,420,727
	(e) Finance costs	26	7,676,586	8,240,544
	(f) Depreciation and Amortisation expense	27	6,776,793	8,170,907
	(g) Other expenses	28	67,262,560	78,204,512
	Total Expenses		213,248,520	267,658,835
5	Profit Before Extraordinary Items and Tax (3 - 4)		11,606,884	1,377,609
6	Add: Extraordinary Items		1,969,841	-
7	Profit Before Tax (5 - 6)		13,576,725	1,377,609
8	Tax expense:			
	(a) Current tax		-	-
	(b) Deferred tax		(4,536,321)	(591,500)
9	Profit for the period (7 ± 8)		9,040,404	786,109
10	Earnings Per Equity Share			
	Basic & diluted [Nominal value of shares ₹ 10/- each]		0.86	0.07
	Significant Accounting Policies	1		
	See accompanying notes 1 to 36 forming part of the financial statements.			

In terms of our report attached.

For MAHARAJ RAJAN & MATHEW,
Chartered Accountants
FRN: 001932S

MATHEW JOSEPH B.Com.,FCA
Partner
MEM REGN No. 22658

Bangalore
29th May, 2013

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

Dr. K ANILKUMAR
Executive Director

A T JACOB
Director

K RAGHUNADHAN
Company Secretary

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

Note 1-Significant Accounting Policies

1.1 Basis for preparation of financial statements and method of accounting

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with policies generally accepted in India including Accounting Standards issued by the Institute of Chartered Accountants of India.

1.2 Use of estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from estimates.

1.3 Fixed Assets

a) Fixed assets are stated at cost less depreciation. Cost includes expenses related to acquisition and installation of fixed assets.

b) Depreciation is charged on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956.

1.4 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that has necessarily taken substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.5 Inventories

Raw materials, consumables and work-in-progress are valued at cost or net realizable value, whichever is lower. Stores and Spares are valued at cost.

1.6 Revenue Recognition

Sales are net of rebate, discount, excise duty and VAT. Treatment income & consulting charges is recognized on completion of each service & consultation and research/healthcare consultancy income is recognized on accrual basis.

1.7 Transactions in Foreign Exchange

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities at the year end are translated into rupees at the rate of exchange prevailing on the date of balance sheet. All exchange differences are dealt with in the statement of Accounts.

1.8 Employee Benefits / Retirement Benefits.

- Leave Encashment Benefit accounted on the basis that such benefits is payable to employees at the end of the year.
- Gratuity Provision is made based on actuarial valuation.
- Provident Fund contribution is as per the rate prescribed by the related Act.

1.9 Miscellaneous Expenditure

1/5th of the preliminary expenses and initial Advertisement & sales promotion expenditure are written off every year.

1.10 Research & Development

Revenue expenditure on research and development is charged to Profit & Loss account. Capital expenditure on research and development is included as a part of fixed assets and depreciated on the same basis as other fixed assets.

1.11 Intangible Assets

Intangible assets are recognized on the basis of the future economic benefits that will flow to the enterprise. The assets are recorded at the price paid to acquire them. Intangible assets will be written off over a period of their estimated useful lives

1.12 Impairment of assets

Impairment loss if any is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of useful life.

1.13 Investments

Investments are stated at cost less provision for diminution other than temporary in their values.

1.14 Earnings Per Share

The basic and diluted earnings per share (E P S) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

1.15 Provision for Tax

Income tax and Deferred tax provision for the year is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'timing difference' between book and taxable profit is accounted by using the tax rates and laws that are enacted or substantively enacted on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

Notes	Particulars	As at 31st March, 2013		As at 31st March, 2012	
		Number of shares	Amount in ₹	Number of shares	Amount in ₹
2	Share capital				
	(a) Authorised Capital				
	Equity shares of ₹ 10/- each with voting rights	12,000,000	120,000,000	12,000,000	120,000,000
	(b) Issued Capital				
	Equity shares of ₹ 10/- each with voting rights	10,555,670	105,556,700	10,555,670	105,556,700
	(c) Subscribed and fully paid up				
	Equity shares of ₹ 10/- each with voting rights	10,555,670	105,556,700	10,555,670	105,556,700
	Total	10,555,670	105,556,700	10,555,670	105,556,700

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2013				
- Number of shares	10,555,670	-	-	10,555,670
- Amount (In ₹.)	105,556,700	-	-	105,556,700
Year ended 31 March, 2012				
- Number of shares	10,555,670	-	-	10,555,670
- Amount (In ₹.)	105,556,700	-	-	105,556,700

(ii) Rights, Prefrences and restrictions attached to Equity Shares:

The Company has one class of equity shares, having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. n the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company in proportion to their share holding.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Katra Holdings Ltd	6,493,435	61.52%	6,493,435	61.52%

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity shares with voting rights-No of Shares			
	Opening Balance	Fresh issue	Buy back	Closing Balance
As at 31 March, 2013				
M/s Katra Holdings Ltd, the holding company	6,493,435	-	-	6,493,435
As at 31 March, 2012				
M/s Katra Holdings Ltd, the holding company	6,493,435	-	-	6,493,435

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

Notes	Particulars	As at 31st March, 2013 Amount in ₹.	As at 31st March, 2012 Amount in ₹.
3	Reserves and Surplus		
	Capital Reserve	3,110,879	3,110,879
	Share Premium	114,514,976	114,514,976
	General reserve	1,798,000	1,798,000
	Surplus / (Deficit) in Statement of Profit and Loss		
	At the commencement of the year	(109,957,567)	(110,743,675)
	Add: Profit for the year	9,040,404	786,109
	Net Surplus / (Deficit) in the Statement of Profit and Loss	(100,917,163)	(109,957,567)
	Total	18,506,692	9,466,288
4	Money Received against Share warrants		
	Warrant Application Money	1,494	1,494
	Share Warrant Application Money Forfeited	1,431,000	1,431,000
	Total	1,432,494	1,432,494
5	Long-term borrowings		
	(a) From Others		
	nsecured		
	ICICI Bank-Hire Purchase Loan	176,469	286,125
	(b) Loans and advances from related parties		
	nsecured		
	From Share Holders	70,183	70,183
	From Group Companies		
	Katra Holding Pvt Ltd	534,488,566	471,304,205
	Total	534,735,218	471,660,513
6	Other Long-Term Liabilities		
	Deposits Received from Customers	2,965,500	887,500
	Total	2,965,500	887,500
7	Long-term Provisions		
	Provision for Gratuity	7,256,308	6,518,511
	Total	7,256,308	6,518,511
8	Short Term Borrowings		
	Secured loan repayable on demand		
	A IS Bank Limited Bangalore-OCC Facility	25,329,721	48,651,529
	A IS Bank Limited Alwaye-OCC Facility	4,718,356	-
	A IS Bank Limited Bangalore-Short Term Loan Facility	15,184,727	-
	(Credit Facilities from A IS Bank are secured Against companys entire current assets including Inventories, Book debts & other current assets present and future, Collateral in the form of equitable mortgage of land belonging to one of the directors, and personal guarantee of one of the Directors)		
	Total	45,232,804	48,651,529
9	Trade Payables		
	Sundry Creditors- Mfgs.	14,474,606	9,812,510
	Sundry Creditors- Others	5,723,831	4,226,038
	Total	20,198,437	14,038,548
	Note: Dues to Micro, Small and Medium Enterpries under MSMED Act based on the available information with the company	4,209,981	1,136,168

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

Notes	Particulars	As at 31st March, 2013 Amount in ₹.	As at 31st March, 2012 Amount in ₹.
10	Other Current Liabilities		
	Advances from Customers	3,370,367	894,413
	Statutory Liabilities	3,268,484	6,087,684
	Accrued Employee Liabilities	5,875,556	7,901,358
	Rent Payable	3,339,028	2,726,407
	Other Current Liabilities	2,833,538	400,705
	Total	18,686,973	18,010,567
11	Short-term provisions		
	(a) Provision - Others:		
	Bonus Payable	3,623,993	3,043,816
	Privilage Leave Encashment Payable	449,330	400,344
	Gratuity Payable	90,980	323,956
	Total	4,164,303	3,768,116
13	Intangible Assets		
	Deffered Expenditure Brand Design	-	978,378
	Total	-	978,378
14	Non Current Investments		
	In Subsidiary Companies		
	(nquoted, At cost)		
	16,65,000 equity shares of ₹ 10 each in Ayurvedagram Heritage Wellness Centre Pvt Ltd	64,286,600	64,286,600
	100 Common stock of no par value in Ayu Inc., SA	5,620	5,620
	100 Common stock of no par value in Ayu Natural Medicines Clinic PS., SA	21,516,252	21,516,252
	100 Common stock of no par value in Ayurvedic Academy Inc., SA	27,242,710	27,242,710
	817 Common stock of SD 1 par value in CMS Katra Holdings LLC, SA	34,853	34,853
	1 Share of face value 1 Sing in Nutravada Pte Ltd, Singapore	-	-
	Share application money in Nutravada Pte Ltd, Singapore	281,935	-
	Non Trade		
	(uoted, At cost)		
	500 equity shares of ₹ 10 each fully paid up in Canara Bank Ltd- Market Value ₹ 429.55 (PY ₹ 473.65) per share	17,500	17,500
	(nquoted, At cost)		
	100 Equity Shares of ₹ 10000/- each in Confederation for Ayurvedic Renaisance Keralam Pvt Ltd	1,000,000	1,000,000
	Total	114,385,470	114,103,535
15	Long-Term loans and advances		
	(nsecured, considered good unless otherwise stated)		
	Deposits with Govt. Authorities	848,650	840,440
	Deposits with others	8,383,102	6,289,002
	Income Tax advance	6,922,610	1,196,384
	Pro ect Expenses	20,702,284	664,217
	WIP Nurse Training Deferred	32,390,054	32,390,054
	Loans to Subsidiaries	286,485,729	277,961,821
	Total	355,732,429	319,341,918

Note: Loan to subsidiary comprises of Loan to M/s. Ayurvedagram Heritage Wellness Centre Pvt. Ltd. ₹.21,60,834/- towards working capital, working capital loan to Ayu Inc., USA ₹.8,24,80,879/- Ayurvedic Academy Inc., USA ₹.11,62,25,592/- and CMS Katra Holdings LLC, USA ₹.82,867,445/- which is non interest bearing loan.

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

Amount in ₹

Note 12 Fixed Assets

Tangible assets	Gross block				Depreciation				Net Block	
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
(a) Land										
Freehold	79,455,932	32,177,396	29,202	111,544,126				0	111,544,126	79,455,932
(b) Buildings										
Own use	38,505,424	696,298		39,201,722	16,004,596	1,287,446		17,292,042	21,909,680	22,500,828
(c) Plant and Equipment										
Owned	34,957,561	1,447,707		36,405,268	16,979,579	1,687,380		18,666,959	17,738,309	17,977,982
(d) Furniture and Fixtures										
Owned	23,471,244	1,725,844		25,197,088	12,104,701	1,050,160		13,154,860	12,042,228	11,366,544
(e) Vehicles										
Owned	1,326,936			1,326,936	497,370	121,480		618,851	708,085	829,566
Taken under finance lease										
(f) Office equipment										
Owned	8,535,158	639,560	46,696	9,128,022	7,747,478	448,260	38,415	8,157,323	970,699	787,680
(g) Others (Computers),										
Owned	7,249,785	1,039,536		8,289,301	5,711,250	1,009,148		6,720,398	1,568,903	1,538,515
(h) Others (Electrical ittings)										
Owned	4,143,563	87,859	18,200	4,213,222	2,487,703	194,541	703	2,681,541	1,531,681	1,655,860
(i) Others (Miscellaneous fixed assets)										
Owned	2,452,966	33,850		2,486,816					2,486,816	2,452,966
Total	**200,098,549**	**37,788,050**	**94,098**	**237,792,501**	**61,532,676**	**5,798,418**	39,118	**67,291,974**	**170,500,527**	**138,565,873**
Previous year	194,745,722	5,352,827		200,098,549	55,439,135	6,093,541	–	61,532,676	138,565,873	139,306,587

Note: 1.Land & Development included ₹ 10.10 lakhs for a portion of the land at Bangalore, even though the sale deed is yet to be registered, the company has obtained power of attorney and is in full possession of the said property.

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

Notes	Particulars	As at 31st March, 2013 Amount in ₹.	As at 31st March, 2012 Amount in ₹.
16	Inventories		
	(Inventory as taken, valued and certified by the management		
	(At lower of cost and net realisable value)		
	Finished Goods	17,660,415	15,708,519
	Goods in transit	485,316	-
	Furnace Oil	431,828	273,123
	Packing Material	2,130,605	1,548,287
	Raw Material	6,400,104	5,263,732
	Stores & Spares	124,340	148,896
	Work in Progress	5,097,342	6,179,097
	Total	**32,329,950**	**29,121,654**
17	Trade receivables		
	(nsecured, considered good unless otherwise stated)		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment	6,668,737	6,740,096
	Other Trade receivables	36,096,950	21,182,591
	Total	**42,765,687**	**27,922,687**
	Note: Trade receivables include debts due from:		
	Directors	NIL	NIL
	Other officers of the Company	NIL	NIL
	Firms in which any director is a partner	NIL	NIL
	Private companies in which any director is a director or member	NIL	NIL
18	Cash and cash equivalents		
	(a) Cash on hand	538,254	457,256
	(b) Balances with banks		
	(i) In Current accounts	7,516,215	5,330,998
	(ii) In Deposit accounts		
	Bank Deposits with original maturity for more than 12 months (Towards margin money for issue of BG)	208,784	2,794,627
	Total	**8,263,253**	**8,582,881**
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 82,63,253 (Previous Year ₹ 85,82,881/-)		
19	Short-term loans and advances		
	(nsecured, considered good unless otherwise stated)		
	Advance for Purchase	587,028	168,524
	Other Advances	2,280,713	4,883,926
	Prepaid expense	167,252	61,949
	Total	**3,034,993**	**5,114,399**

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

Notes	Particulars	For the year ended 31 March, 2013 Amount in ₹	For the year ended 31 March, 2012 Amount in ₹
20	Revenue from Operations		
	(a) Sale of products	185,810,985	192,887,559
	(b) Sale of services	55,069,744	90,193,858
	Total	**240,880,729**	**283,081,417**
	(i) Sale of products comprises:		
	Sale of Ayurvedic Medicine	185,810,985	192,887,559
	Total	**185,810,985**	**192,887,559**
	(ii) Sale of services comprises:		
	Treatment Income	37,970,438	47,657,528
	Research Consultancy	9,275,000	34,825,000
	Training Income	3,302,289	2,702,589
	Registration Fees	2,080,515	2,464,480
	Other Operational Income	2,441,502	2,544,261
	Total	**55,069,744**	**90,193,858**
21	Other Income		
	Interest Received	62,245	219,539
	Dividend Income	5,500	5,500
	Total	**67,745**	**225,039**
22	Cost of materials consumed		
	Raw Material		
	Opening stock	5,263,987	6,772,491
	Add: Purchases	46,188,953	43,108,309
	Less: Closing stock	6,400,104	5,263,732
	(A)	**45,052,836**	**44,617,068**
	Packing Material		
	Opening Stock-Packing Material	1,548,129	3,167,251
	Add: Purchase - Packing Material	13,352,346	12,781,257
	Less: Closing Stock	2,130,605	1,548,287
	(B)	**12,769,870**	**14,400,221**
	Cost of material consumed(A+B)	**57,822,706**	**59,017,289**
23	Purchase of Stock In Trade		
	Purchase of Medicines	1,714,967	1,385,386
	Total	**1,714,967**	**1,385,386**

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

Notes	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Amount in ₹	Amount in ₹
24	Changes in inventories of stock of F G, WIP & Stock in trade		
	Inventories at the end of the year:		
	Stock of FG,WIP & Stock in Trade	23,243,073	21,887,616
		23,243,073	21,887,616
	Inventories at the beginning of the year:		
	Stock of FG,WIP & Stock in Trade	21,887,520	51,107,086
		21,887,520	51,107,086
	Net (increase) / decrease	(1,355,553)	29,219,470
25	Employee benefits expense		
	Salaries and wages	63,976,089	75,580,450
	Contributions to provident funds	4,906,788	4,846,831
	Staff welfare expenses	4,467,584	2,993,446
	Total	73,350,461	83,420,727
26	Finance costs		
	(a) Interest expense on:		
	(i) Borrowings	5,841,781	7,668,088
	(ii) Others		
	- Interest on Vehicle Loans	25,008	35,954
	- Bank Charges	1,290,631	504,153
	- Other Interest	519,166	32,349
	Total	7,676,586	8,240,544
27	Depreciation and Amortisation expense		
	Depreciation	5,798,415	6,093,541
	Miscellaneous Expenses Written off	978,378	2,077,366
	Total	6,776,793	8,170,907
28	Other expenses		
	Rent	8,145,223	7,933,692
	Rates and Taxes	459,779	425,127
	Legal & Professional charges	981,475	751,981
	Directors Sitting Fee	210,000	170,000
	Research and Development Expenses	854,943	1,150,945
	Travelling -Others	2,500,234	1,938,508
	Loss on sale of fixed Asset	4,797	-
	Publication Expenses	362,047	294,902
	Repairs & Maintanance- Others	776,412	1,014,253
	Vehicle Maintenance	145,605	117,619

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

Notes	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Amount in ₹	Amount in ₹
	Insurance	77,124	75,323
	Printing & Stationery	1,395,978	1,377,048
	Postage & Telephone	1,774,438	1,961,021
	Secretarial Expenses	701,865	716,436
	Repairs & Maintenance Branch assets	1,350,933	1,092,450
	Forex Fluctuation Loss	-	26,209
	Pro ect O us related expense	-	2,510,310
	Conveyance Expenses	764,800	1,802,322
	Canteen Expenses	884,695	1,176,447
	Bad Debts W/Off	1,765,196	4,561,343
	Electricity charges (Branches/Depot)	1,563,805	1,545,857
	Other Administrative Expenses	3,321,215	3,413,959
	Audit fee	185,875	210,000
	Travelling -Sales Staff	6,159,393	8,968,399
	Advertisements	1,724,684	1,117,184
	Commission & Discount	2,997,772	2,602,469
	Training Expenses	971,324	572,325
	Freight Outward	4,005,798	3,429,902
	Sales promotion exp	2,938,361	4,764,642
	Other Selling & Distribution Expenses	1,094,090	3,260,102
	Fuel Consumed	8,594,214	8,043,936
	Electricity charges	1,220,518	1,032,403
	Repairs to Plant & Machinery	1,067,878	1,272,781
	Repairs to Building	197,135	213,647
	ob Works	3,391,284	2,863,373
	Other Manufacturing Expenses	63,004	1,723,139
	Cultivation Expenses	98,993	111,051
	Treatment Expenses	4,511,673	3,963,407
	Total	**67,262,560**	**78,204,512**
	(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
	As auditors - Statutory audit & Tax Audit	125,000	125,000
	For taxation matters	-	15,000
	For company law matters	39,775	37,500
	For other services	-	10,000
	Reimbursement of expenses	21,100	22,500
	Total	**185,875**	**210,000**

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

29 Earnings in Foreign Currency :

Amount in ₹.

Particulars	31st March, 2013	31st March, 2012
Export of Medicine	5,616,743	6,567,339
Total	5,616,743	6,567,339

Expenditure in Foreign Currency :

Particulars	31st March, 2013	31st March, 2012
Import of Machinery	NIL	NIL
Total	-	-

30 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Holding Company	Katra Holdings Ltd, Mauritius
Subsidiary Companies	Ayurvedagram Heritage Wellness Centre Pvt Ltd
	Ayu Inc, SA
	Ayu Natural Medicine Clinic PS, SA
	Ayurvedic Academy Inc., SA
	Nutraveda Pte Ltd
	CMS Katra Holdings LLC, SA
	CMS Katra Nursing LLC, SA
Associates	All Seasons Herbs Pvt. Ltd.
	Arudrama Developments Pvt. Ltd.
	Asha Medical Foundation Pvt. Ltd.
	Global AgriSystem Pvt. Ltd. & its Subsidiaries
	Katra Holding Pvt. Ltd.
	Katra Marine Pvt. Ltd.
	Katra Phytochem India Pvt. Ltd.
	Mason & Summers Alcobev Pvt. Ltd. & its Subsidiaries
	Mason & Summers Leisure Pvt. Ltd.
Managerial Person-Director	Dr K Anil Kumar
Relative of key Managerial Person	Mrs Sunitha Anilkumar
	Mrs Chithra Gopinath

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

Amount in ₹

Particulars	31st March, 2013	31st March, 2012
Purchase of Raw Materials- All Season Herbs Pvt Ltd	4,399,731	4,008,243
Sale of Medicines-Ayurvedagram Heritage Wellness Centre P Ltd	3,067,487	2,155,185
Sale of Medicines-Ayu Inc	746,687	146,753
Receiving services- Ayuvedagram Heritage Wellness Centre P Ltd	-	872,550
Rendering of services- Ayurvedic Academy Inc	1,341,720	270,000
Rendering of services- Mason & Summers Leisure P Ltd	677,374	1,258,875
Rent Paid-Sunitha Anil Kumar and Chithra Gopinath	1,032,300	1,026,000
Managerial Remuneration-Dr K Anilkumar	3,000,000	3,000,000
Reimbursement of Expenses to KAL Subsidiaries	132,529	20,655
Reimbursement of Expenses by KAL Subsidiaries	4,075,672	1,570,979
Reimbursement of Expenses by Katra Holding Pvt Ltd	1,425,639	1,358,258
Borrowings (including loans)- to KAL Subsidiaries	16,457,907	109,497,907
Borrowings (including loans)- from Katra Holding Pvt Ltd	81,110,000	116,115,000
Repayment of Loans- by KAL Subsidiaries	7,934,000	2,175,000
Repayment of Loans-to Katra Holding Pvt Ltd	16,500,000	131,800,000
<u>Balances outstanding at the end of the year</u>		
Lending- to KAL Subsidiaries	286,485,729	277,961,821
Borrowings- from Katra Holding Pvt Ltd	534,488,566	471,304,205

KERALA AYURVEDA LIMITED

Notes forming part of Financial Statements for the year ended 31st March, 2013

31 **Managerial Remuneration- Dr K Anil Kumar, Executive Director** Amount in ₹

Particulars	31st March, 2013	31st March, 2012
Basic	1,500,000	1,500,000
Special Allowance	648,000	648,000
House Rent Allowance	600,000	600,000
PF Contribution	180,000	180,000
Medical Reimbursement	12,000	12,000
Leave Travel Allowance	60,000	60,000
Total	**3,000,000**	**3,000,000**

32 **Contingent Liabilities**

Particulars

I. Company has given a corporate guarantee of ₹.**50,000,000/-** to Ratnakar Bank Ltd., towards the Credit facilities availed by subsidiary company M/s Ayurvedagram Heritage Wellness Centre Pvt. Ltd.

II. Company has given a corporate guarantee of ₹.**50,000,000/-** to Axis Bank Ltd., towards the Credit facilities availed by subsidiary company M/s Ayurvedagram Heritage Wellness Centre Pvt. Ltd.

III. The company has given a bank guarantee of ₹.**1,000,000/-** to Health & Family Welfare Dept, Government of Kerala towards security deposit for giving permission to start one year para medical certificate course in Ayurveda Therapy.

IV. The company has given a bank guarantee of ₹.**500,000/-** to The Registrar, Banaras Hindu University towards security deposit for setting up Kerala Ayurveda Panchakarma Center at S S Hospital at BHU.

V. The company has given a bank guarantee of ₹.**100,000/-** to Commissioner, Indian Medicine and Homeopathy, Chennai-106

VI. The company has given a bank guarantee of ₹.**90,000/-** to Commissioner, Delhi Value Added Tax towards VAT registration at Delhi

Vii. The company has given a bank guarantee of ₹.**50,000/-** to Commissioner, Delhi Value Added Tax towards issue of F Form.

33 **Deferred tax assets/ (liabilities)** Amount in ₹

Particulars	As at 31st March, 2012	Movement	As at 31st March, 2013
Book/Tax depreciation difference	(9,016,883)	474,650	(8,542,233)
Provision for Gratuity	2,268,655	155,990	2,424,645
Carry forward of business Loss	25,901,846	(5,166,961)	20,734,885
nabsorbed Depreciation Carried forward	17,105,823		17,105,823
Total deferred tax liability	**36,259,441**	**(4,536,321)**	**31,723,120**

34 **Earnings per share :** Amount in ₹

Particulars	31st March, 2013	31st March, 2012
Net Profit after Tax	9,040,404	786,109
Weighted Average Number of Shares outstanding during the year	10,555,670	10,555,670
Earnings Per Share	0.86	0.07
Nominal Value of Shares	10.00	10.00

35 Segment results: The company is primarily engaged in Ayurvedic services and products. Accordingly there is no separae reportable segment in accordance with AS 17-Segment reporting prescribed under the Companies (Accounting Standards) Rules 2006.

36 Previous year figures have been re-grouped / re-classified wherever necessary to correspond with the current year classification/Disclosure.

KERALA AYURVEDA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

Particulars		For the year Ended 31st March 2013	For the year Ended 31st March 2012
		Amount in ₹	Amount in ₹
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax and Interest		21,253,311	9,618,153
Adjustment for:			
Interest Received		(62,244)	(219,539)
Dividend Received		(5,500)	(5,500)
Depreciation		5,798,415	6,093,541
Miscellaneous Expenditure & Deffered Exp W /off		978,378	2,553,688
Long term Capital gain on Compulsory acquisition of land		(1,969,841)	
(Profit)/Loss on sale of fixed assets		(422)	
Operating profit before working capital changes		25,992,097	18,040,343
Adjustments for:			
Trade receivables		(14,843,000)	20,054,411
Inventories		(3,208,295)	32,082,596
Short Term loans and advances		2,079,406	39,591,966
Long Term loans and advances		(27,866,603)	2,019,629
Long Term Provisions		737,797	876,044
Other Long Term Liabilities		2,078,000	(500,000)
Trade Payables		6,159,889	(5,870,338)
Other Current Liabilities		676,407	(44,101,110)
Short Term Provisions		396,187	(1,469,008)
Cash generated from operations		(33,790,214)	42,684,190
Direct taxes paid		-	-
Net cash from operating activities	A	**(7,798,117)**	**60,724,534**
B.CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed assets		(37,788,050)	(5,352,827)
Sale of fixed assets		2,025,243	
Investment		(281,935)	
Loans to Subsidiaries		(8,523,908)	(57,462,742)
Dividend Received		5,500	5,500
Interest Received		62,245	219,539
Net cash used in investing activities	B	**(44,500,905)**	**(62,590,530)**
C.CASH FLOW FROM FINANCING ACTIVITIES			
Repayment (-)/ Proceeds( ) of nSecured Loans		63,074,705	(17,141,968)
Net Increase/(Decrease) in Working Capital Borrowings		(3,418,725)	608,300
Finance Cost		(7,676,586)	(8,240,545)
Net cash from financing activities	C	**51,979,394**	**(24,774,213)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A B C)		**(319,628)**	**(26,640,209)**
Cash & Cash Equivalents at Beginning of year		8,582,881	35,223,090
Cash & Cash Equivalents at End of year		8,263,253	8,582,881

In terms of our report attached.

For MAHARAJ RAJAN & MATHEW,
Chartered Accountants
FRN: 001932S

MATHEW JOSEPH B.Com.,FCA
Partner
MEM REGN No. 22658

Bangalore
29th May, 2013

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

Dr. K ANILKUMAR
Executive Director

A T JACOB
Director

K RAGHUNADHAN
Company Secretary

KERALA AYURVEDA LIMITED

STATEMENT PURSUANT TO SECTION 212(1) (e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the subsidiary company	Ayurvedagram Heritage Wellness Centre Pvt Ltd	Ayu Inc.	Ayu Natural Medicine Clinic, PS.	Ayurvedic Academy Inc.	Nutraveda Pte Ltd	CMS Katra Holdings LLC	CMS Katra Nursing LLC **
No.of Shares held in Subsidiary Company as on the above date	16,65,000 Equity Shares of ₹.10 each fully paid up	100* Share of no par Value	100* Share of no par Value	100* Share of no par Value	1 Share of Sing $ 1	817 shares of par value USD 1	100 shares of USD 100
Extent of Holding	74%	100%	100%	100%	100%	81.67%	100%
The "financial year" of the subsidiary company ended on	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013	31st March 2013
Net aggregate amount of the subsidiary company's profits/losses dealt with in the holding company's accounts							
For the subsidiary's aforesaid financial year	NIL	NIL	Nil	NIL	NIL	NIL	NIL
For the previous financial years since it became subsidiary	NIL	NIL	Nil	NIL	NIL	NIL	NIL
Net aggregate amount of the subsidiary company 's profits/(losses) not dealt with in the holding company's accounts							
For the subsidiary's aforesaid financial year	₹.43.78 Lacs	(₹.83.22Lacs)	(₹.0.71 Lacs)	(₹.2.65 Lacs)	NIL	(₹.69.92 Lacs)	(₹.44.53 Lacs)
For the previous financial years since it became subsidiary	₹.104.14 Lacs	(₹.394.45 Lacs)	(₹.669.20Lacs)	(₹.765.82 Lacs)	NIL	(₹.175.78 Lacs)	(₹.688.60Lacs)
Material Changes, if any, in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and that of the holding company	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Material changes, if any, between the end of the finacial year of the subsidiary and that of the holding company	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note:- The foreign exchange rate used for converting amounts in USD to INR is Rs 54.39 as on 31st March 2013 and Singapore Dollar to INR is Rs 43.85 as on 31st March 2013.

* These shares were allotted by the company without any par value.

** CMS Katra Nursing LLC is a 51% subsidiary of CMS Katra Holdings LLC and balance 49% is held by Ayu Inc(a wholly Owned Subsidiary), a step down subsidiary of the company.

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

Bangalore
29th May, 2013

K RAGHUNADHAN
Company Secretary

Dr. K ANILKUMAR
Executive Director

A T JACOB
Director

KERALA AYURVEDA LIMITED

STATEMENT PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956

Name of the subsidiary company	Ayurvedagram Heritage Wellness Centre Pvt. Ltd.	Ayu Inc.	Ayu Natural Medicine Clinic P.S.	Ayurvedic Academy Inc.	Nutraveda Pte Ltd	CMS Katra Holdings LLC	CMS Katra Nursing LLC
Capital	₹. 225.00 Lacs	NIL *	NIL *	NIL *	₹. 0.00 Lacs	₹.0.54 Lacs	₹.5.44 Lacs
Reserves/(Accumulated Losses)	₹.123.13 Lacs	(₹.477.67 Lacs)	(₹.669.91 Lacs)	(₹.763.17 Lacs)	NIL	(₹.245.70 Lacs)	(₹.733.13Lacs)
Total Assets	₹.1011.05 Lacs	₹. 632.93 Lacs	₹. 0.06 Lacs	₹.1026.51Lacs	₹. 6.33 Lacs	₹.967.07Lacs	(₹.9.35Lacs)
Total Liabilities	₹.1011.05 Lacs	₹. 632.93 Lacs	₹. 0.06 Lacs	₹.1026.51 Lacs	₹. 6.33 Lacs	₹.967.07 Lacs	(₹.9.35Lacs)
Details of Investment (Excluding Investment in Subsidiaries)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Turnover	₹.442.99 Lacs	₹. 87.05 Lacs	₹. 0.00 Lacs	₹.396.59Lacs	NIL	(₹.0.00Lacs)	(₹.8.41 Lacs)
Profit/(Loss) Before Tax	₹.64.21 Lacs	(₹.83.22 Lacs)	(₹.0.71 Lacs)	(₹.2.65Lacs)	NIL	(₹.69.92Lacs)	(₹.44.53 Lacs)
Provision for Tax	₹.20.44 Lacs	NIL	NIL	NIL	NIL	NIL	NIL
Profit/(Loss) After Tax	₹. 43.78 Lacs	(₹.83.22 Lacs)	(₹.0.71 Lacs)	(₹.2.65 Lacs)	NIL	(₹.69.92 Lacs)	(₹.44.53 Lacs)
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL

*These shares were allotted by the company without any par value

Notes:

1. None of the above companies has proposed any dividend
2. The amounts given in the table above are from the annual accounts made for the respective financial year end for each of the companies.
3. The foreign exchange rate used for convertion of foreign currency as on 31st March 2013: US$ @ ₹.54.39 and Singapore $ @ ₹ 43.85
4. The annual accounts of the subsidiary companies & the related detailed information will be made available to the investor, who seek such information, at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by the investors in the Registered Office of your company and that of Subsidiary concerned.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors,
KERALA AYURVEDA LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **KERALA AYURVEDA LIMITED** (the "Company") and its subsidiaries (collectively referred to as "the Group" refer note 29), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting standard (AS-21) Consolidated financial statements and (AS-23) Accounting for Investments in Associates in Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.
7. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
   (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

8. We did not audit the financial statements of Ayurvedagram Heritage Wellness Centre Private Limited, Ayurvedic Academy Inc., Ayu Inc., Ayu Natural Medicine Clinic PS., CMS Katra Holdings LLC, CMS Katra Nursing LLC and Nutraveda PTE Ltd, subsidiaries whose financial statements reflect total assets of ₹. 3653.30 Lacs and total net revenue of ₹. 935.04 Lacs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is solely on the report of the other auditors.

For **Maharaj Rajan & Mathew,**
Chartered Accountants
Firm Regn No: 001932S

Mathew Joseph, Partner
Membership No.22658

Bangalore
29th May, 2013

KERALA AYURVEDA LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

	Particulars	Note No.	As at 31st March, 2013 Amount in ₹.	As at 31st March, 2012 Amount in ₹.
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	2	105,556,700	105,556,700
	(b) Reserves and Surplus	3	(217,206,609)	(211,131,720)
	(c) Money Received against Share Warrants	4	1,432,494	1,432,494
			(110,217,415)	(104,142,526)
2	Non-Current Liabilities			
	(a) Long-Term Borrowings	5	590,313,622	462,318,492
	(b) Other Long-Term Liabilities	6	2,965,500	887,500
	(c) Long-Term Provisions	7	8,149,863	7,190,223
	(d) Minority Interest		9,046,235	7,908,028
			610,475,220	478,304,243
3	Current liabilities			
	(a) Short term Borrowings	8	50,070,598	53,590,037
	(b) Trade payables	9	25,973,321	18,855,351
	(c) Other current liabilities	10	49,102,459	44,365,081
	(d) Short-term Provisions	11	5,466,298	4,505,248
			130,612,676	121,315,717
	TOTAL		630,870,482	495,477,434
B	ASSETS			
1	Non-Current assets			
	(a) Fixed Assets			
	(i) Tangible Assets	12	236,584,578	205,854,767
	(ii) Intangible Assets	13	3,507,511	11,507,113
	(b) Goodwill on Consolidation		102,572,622	102,317,136
	(c) Non Current Investments	14	1,017,500	1,017,500
	(d) Deferred Tax Assets (Net)		25,549,269	31,543,492
	(e) Long-Term Loans and Advances	15	170,481,669	66,014,743
			539,713,149	418,254,751
2	Current Assets			
	(a) Inventories	16	36,337,232	32,517,826
	(b) Trade Receivables	17	39,756,356	26,613,843
	(c) Cash and Cash equivalents	18	10,786,989	12,715,516
	(d) Short-Term Loans and Advances	19	4,276,756	5,375,499
			91,157,333	77,222,684
	TOTAL		630,870,482	495,477,435
	Significant accounting policies	1		
	See accompanying notes 1 to 34 forming part of the financial statements			

In terms of our report attached.

For MAHARAJ RAJAN & MATHEW,
Chartered Accountants
FRN: 001932S

MATHEW JOSEPH B.Com.,FCA
Partner
MEM REGN No. 22658

Bangalore
29th May, 2013

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

Dr. K ANILKUMAR
Executive Director

A T JACOB
Director

K RAGHUNADHAN
Company Secretary

KERALA AYURVEDA LIMITED

CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2013

SL	Particulars	Note No.	For the year ended 31st March, 2013 Amount in ₹.	For the year ended 31st March, 2012 Amount in ₹.
1	Revenue from operations	20	328,448,003	356,824,498
	Less: Excise Duty & VAT		16,093,070	14,270,012
	Net Revenue from Operations		312,354,933	342,554,486
2	Other income	21	67,745	226,574
3	Total revenue		312,422,678	342,781,060
4	Expenses			
	(a) Cost of Materials consumed	22	59,679,052	61,941,186
	(b) Purchases of Medicines (Stock in Trade)	23	1,714,967	3,880,249
	(c) Changes in inventories of FG, WIP & Stock-in-Trade	24	(1,946,381)	29,397,395
	(d) Employee benefits expenses	25	105,070,807	117,544,800
	(e) Finance costs	26	9,771,594	10,703,527
	(f) Depreciation and Amortisation expenses	27	20,975,030	20,923,814
	(g) Other expenses	28	118,701,812	121,533,082
	(h) (Gain)/Loss on conversion to ₹		(1,217,558)	(4,107,562)
	Total Expenses		312,749,323	361,816,491
5	Profit / (Loss) Before Extraordinary items and Tax (3 - 4)		(326,646)	(19,035,431)
	Add: Exceptional items		-	-
	Profit / (Loss) Before Extraordinary items and Tax(5 - 6)		(326,646)	(19,035,431)
6	Add: Extraordinary items		1,969,841	-
7	Profit / (Loss) Before Tax (5 - 6)		1,643,195	(19,035,431)
8	Tax expense:			
	(a) Current tax expense for current year		1,301,995	(737,132)
	(b) (Less): MAT credit (where applicable)		(716,338)	680,099
	(c) Deferred tax		5,994,222	(1,709,220)
			6,579,879	(1,766,253)
9	Profit / (Loss) for the year after tax (7 ± 8)		(4,936,684)	(20,801,684)
10	Less: Minority interest		1,138,207	617,473
11	Profit / (Loss) for the year after Minority interest (9 ± 10)		(6,074,891)	(21,419,157)
12	Loss Brought forward		(330,555,572)	(309,136,416)
13	Loss Carried forward		(336,630,463)	(330,555,572)
14	Earnings/(Loss) Per Equity Share			
	Basic & diluted [Nominal value of shares₹. 10/- each]		(0.47)	(2.03)
	Significant Accounting Policies	1		
	See accompanying notes 1 to 34 forming part of the financial statements			

For MAHARAJ RAJAN & MATHEW,
Chartered Accountants
FRN: 001932S

MATHEW JOSEPH B.Com.,FCA
Partner
MEM REGN No. 22658

Bangalore
29th May, 2013

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

Dr. K ANILKUMAR
Executive Director

A T JACOB
Director

K RAGHUNADHAN
Company Secretary

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

Note 1-Significant Accounting Policies

1.1 Principles of Consolidation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and comply with the Accounting standards on consolidated financial statements (AS 21) and on Accounting for investments in associates in consolidated financial statements (AS 23), issued by the Institute of Chartered Accountants of India.

1.2 Basis of Preparation

The financial statement of the Kerala Ayurveda Limited and its subsidiaries are prepared on historical cost convention, on the accrual basis of accounting. Foreign subsidiaries results/accounts have been converted into Rupees value at year end rate of 1 US$= Rs54.39 and 1 Singapore $= Rs 43.85.

1.3 Fixed Assets

a) Fixed assets are stated at cost less depreciation. Cost includes expenses related to acquisition and installation of fixed assets.

b) Depreciation is charged on Straight line method/ Written down value method as the case may be at the rates permissible under applicable local laws .Intangible assets will be written off over a period of their estimated useful lives.

1.4 Use of estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets and liabilities disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from estimates.

1.5 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that has necessarily taken substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.6 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Groups interest in the net value of identifiable assets, Liabilities and contingent liabilities of the subsidiary recognized at the date of acquisition. Good will is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

1.7 Inventories

Raw materials, consumables and work-in-progress are valued at cost or net realizable value, whichever is lower. Stores and Spares are valued at cost.

1.8 Revenue Recognition

Sales are net of rebate and discount and include excise duty and VAT. Treatment income & Consulting charges is recognized on completion of each service & consultation and research/healthcare consultancy income is recognized on accrual basis

1.9 Transactions in Foreign Exchange

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Foreign currency assets and liabilities at the year end are translated into rupees at the rate of exchange prevailing on the date of balance sheet. All exchange differences are dealt with in the statement of profit and loss account.

1.10 Employee Benefits / Retirement Benefits.

- Leave Encashment Benefit accounted on the basis that such benefits is payable to employees at the end of the year.
- Gratuity Provision is made based on actuarial valuation.
- Provident Fund contribution is as per the rate prescribed by the related Act.

1.11 Miscellaneous Expenditure

1/5 th of the preliminary expenses and initial Advertisement & sales promotion expenditure are written off every year.

1.12 Research & Development.

Revenue expenditure on research and development is charged to Profit & Loss account. Capital expenditure on research and development is included as a part of fixed assets and depreciated on the same basis as other fixed assets.

1.13 Investments

Investments are stated at cost less provision for diminution other than temporary in their values.

1.14 Intangible Assets

Intangible assets are recognized on the basis of the future economic benefits that will flow to the enterprise. The assets are recorded at the price paid to acquire them.

1.15 Impairment of assets

Impairment loss if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of useful life.

1.16 Provision for Tax

Income tax and Deferred tax provision for the year is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'timing difference' between book and taxable profit is accounted by using the tax rates and laws that are enacted or substantively enacted on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

1.17 Earnings Per Share

The basic and diluted earnings per share (E P S) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

Notes	Particulars	As at 31st March, 2013 Number of shares	As at 31st March, 2013 Amount in ₹	As at 31st March, 2012 Number of shares	As at 31st March, 2012 Amount in ₹
2	Share capital				
	(a) Authorised Capital				
	Equity shares of ₹ 10/- each with voting rights	12,000,000	120,000,000	12,000,000	120,000,000
	(b) Issued Capital				
	Equity shares of ₹ 10/- each with voting rights	10,555,670	105,556,700	10,555,670	105,556,700
	(c) Subscribed and fully paid up				
	Equity shares of ₹ 10/- each with voting rights	10,555,670	105,556,700	10,555,670	105,556,700
	Total	10,555,670	105,556,700	10,555,670	105,556,700

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Buy back	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2013				
- Number of shares	10,555,670	-	-	10,555,670
- Amount (In ₹.)	105,556,700	-	-	105,556,700
Year ended 31 March, 2012				
- Number of shares	10,555,670	-	-	10,555,670
- Amount (In ₹.)	105,556,700	-	-	105,556,700

(ii) Rights, Prefrences and restrictions attached to Equity Shares:

The Company has one class of equity shares, having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. n the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company in proportion to their share holding.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013 Number of shares held	As at 31 March, 2013 % holding in that class of shares	As at 31 March, 2012 Number of shares held	As at 31 March, 2012 % holding in that class of shares
Equity shares with voting rights				
Katra Holdings Ltd	6,493,435	61.52%	6,493,435	61.52%

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity shares with voting rights-No of Shares Opening Balance	Fresh Issue	Buy back	Closing Balance
As at 31 March, 2013				
M/s Katra Holdings Ltd, the holding company	6,493,435	-	-	6,493,435
As at 31 March, 2012				
M/s Katra Holdings Ltd, the holding company	6,493,435	-	-	6,493,435

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

Notes	Particulars	As at 31st March, 2013	As at 31st March, 2012
		Amount in ₹.	Amount in ₹.
3	Reserves and Surplus		
	Capital Reserve	3,110,879	3,110,879
	Share Premium	114,514,976	114,514,976
	General reserve	1,798,000	1,798,000
	Surplus / (Deficit) in Statement of Profit and Loss		
	At the commencement of the year	(330,555,573)	(309,136,417)
	Add: Profit / (Loss) for the year	(6,074,891)	(21,419,157)
	Net Surplus / (Deficit) in the Statement of Profit and Loss	(336,630,464)	(330,555,574)
	Total	(217,206,609)	(211,131,719)
4	Money Received against Share warrants		
	Warrant Application Money	1,494	1,494
	Share Warrant Application Money Forfeited	1,431,000	1,431,000
	Total	1,432,494	1,432,494
5	Long-term borrowings		
	(a) Term loans		
	From Banks		
	Secured	17,522,030	29,908,094
	(b) From Others		
	nsecured		
	Hire Purchase Loans	857,698	1,441,966
	Others	543,900	511,600
	(c) Loans and advances from related parties		
	nsecured		
	From Share Holders	70,183	1,270,183
	From Group Companies	571,319,812	429,186,649
	Total	590,313,622	462,318,492
	Note: Above term Loan from The Ratnakar Bank Limited is secured by Equitable Paripassu Mortagage of Land & Building held by Ayurvedagram, Personal Guarantee of Two Directors and Corporate Guarantee of Holding Company M/s Kerala Ayurveda Ltd		
6	Other Long-Term Liabilities		
	Deposits Received from Customers	2,965,500	887,500
	Total	2,965,500	887,500
7	Long-term Provisions		
	Provision for Gratuity	8,149,863	7,190,223
	Total	8,149,863	7,190,223
8	Short Term Borrowings		
	Secured loan repayable on demand		
	A IS Bank Limited Bangalore -OCC Facility	25,329,722	48,651,529
	A IS Bank Limited Alwaye -OCC Facility	4,718,356	-
	A IS Bank Limited Bangalore -OD Facility	4,837,793	4,938,508
	A IS Bank Limited Bangalore -Short Term Loan Facility	15,184,727	-
	(Credit Facilities from A IS Bank are secured Against companys entire current assets including Inventories, Book debts & other current assets present and future, Collateral in the form of equitable mortgage of land belonging to one of the directors, and personal guarantee of one of the Directors)		
	Total	50,070,598	53,590,037

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

Notes	Particulars	As at 31st March, 2013	As at 31st March, 2012
		Amount in ₹.	Amount in ₹.
9	Trade Payables		
	Sundry Creditors- Mfgs.	14,474,606	9,812,510
	Sundry Creditors- Others	11,498,715	9,042,841
	Total	25,973,321	18,855,351
	Note: Dues to Micro, Small and Medium Enterpries under MSMED Act based on the available information with the company	4,209,981	1,136,168
10	Other current liabilities		
	(a) Other payables		
	Advances from Customers	12,699,688	10,212,348
	Statutory Liabilities	3,493,985	6,206,436
	Accrued Employee Liabilities	5,875,556	7,950,315
	Rent Payable	3,339,028	2,726,407
	Other Current Liabilities	8,557,143	3,571,262
	(b) Loan repayable within one year		
	Term Loans-Ratnakar Bank Ltd (Repayable within 1 year)	10,657,587	8,669,629
	Credit Card Dues	4,257,583	5,028,684
	Axis Bank Car Loan	181,361	-
	HDFC Bank Car Loan	40,528	-
	Total	49,102,459	44,365,081
11	Short-term provisions		
	(a) Provision - Others:		
	Bonus Payable	3,623,993	3,043,816
	Privilage Leave Encashment Payable	449,330	400,344
	Provision for Gratuity	90,980	323,956
	Provision for taxation	1,301,995	737,132
	Total	5,466,298	4,505,248
13	Intangible Assets		
	Deffered Expenditure Brand Design		978,378
	Goodwill & Pro ect Expenses	3,146,406	10,328,557
	Pre Operative Expenses	361,105	200,178
	Total	3,507,511	11,507,113
14	Non Current Investments		
	Non Trade		
	(Quoted, At cost)		
	500 equity shares of ₹ 10 each fully paid up in Canara Bank Ltd- Market Value ₹ 429.55 (PY ₹ 473.65) per share	17,500	17,500
	(Unquoted, At cost)		
	100 Equity Shares of ₹ 10,000/- each in Confederation for Ayurvedic Renaisance Keralam Pvt Ltd	1,000,000	1,000,000
	Total	1,017,500	1,017,500

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

Note 12 Fixed Assets

Amount in ₹

Tangible assets	Gross block					Depreciation					Net Block	
	Balance as at 1 April, 2012	Additions	Disposals	Effect of Foreign Currency exchange differences	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Effect of Foreign currency exchange difference	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
(a) Land												
Freehold	89,930,477	32,117,396	29,202		122,018,671						122,018,671	89,930,477
(b) Buildings												
Own use	75,908,500	3,447,640			79,356,140	20,811,184	1,912,781			22,723,965	56,632,175	55,097,316
Given under operating lease	2,296,372			144,982	2,441,354	1,506,896	839,544	94,913		2,441,354	-	789,476
(c) Plant and Equipment												
Owned	34,957,561	1,447,707			36,405,268	16,979,579	1,687,380			18,666,959	17,738,309	17,977,982
(d) Furniture and Fixtures												
Owned	62,707,252	2,10,764		57,998	64,776,014	33,634,014	3,639,134	45,364		37,318,512	27,457,507	29,073,238
(e) Vehicles												
Owned	4,022,786				4,022,786	890,784	377,586			1,268,370	2,754,416	3,132,002
Taken under finance lease												
(f) Office equipment												
Owned	13,800,006	957,768	46,696	37,323	14,748,401	9,831,081	733,314	21,360	38,415	10,547,340	4,201,061	3,968,925
(g) Others (Computers),												
Owned	8,612,293	1,090,875		27,340	9,730,508	6,835,769	1,108,789	22,505		7,966,562	1,763,946	1,776,524
(h) Others (Electrical ittings)												
Owned	4,143,563	87,859	18,200		4,213,222	2,487,703	194,541		703	2,681,540	1,531,682	1,655,860
(i) Others (Miscellaneous fixed assets) Owned	2,452,967	33,850			2,486,817						2,486,816	2,452,967
Total	**298,831,777**	**41,193,859**	**94,098**	**267,643**	**340,199,181**	**92,977,009**	**10,492,569**	**184,142**	**39,118**	**103,614,603**	**236,584,578**	**205,854,767**
Previous year	291,128,733	7,289,740	122,354	535,658	298,831,777	82,627,702	10,191,661	157,647		92,977,010	205,854,767	208,501,031

Note: 1.Land & Development included ₹.10.10 lakhs for a portion of the land at Bangalore, even though the sale deed is yet to be registered, the company has obtained power of attorney and is in full possession of the said property.

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

Notes	Particulars	As at 31st March, 2013 Amount in ₹.	As at 31st March, 2012 Amount in ₹.
15	Long-Term loans and advances		
	(nsecured, considered good unless otherwise stated)		
	Deposits with Govt. Authorities	848,650	840,440
	Deposits with others	9,018,670	7,215,136
	Income Tax advance	6,922,610	1,309,000
	Pro ect Expenses	22,123,356	1,865,272
	Capital Advances	25,997,801	20,009,446
	WIP Nurse Training Deferred	32,390,054	32,390,054
	Loans to Group Companies	70,078,795	-
	MAT Credit entitlement	3,101,733	2,385,395
	Total	170,481,669	66,014,743
16	Inventories		
	(Inventory as taken, valued and certified by the management)		
	(At lower of cost and net realisable value)		
	Finished Goods	21,405,430	18,894,392
	Goods in transit	485,316	-
	Furnace Oil	431,828	273,123
	Packing Material	2,130,605	1,548,287
	Raw Material	6,662,371	5,263,732
	Stores & Spares	124,340	359,195
	Work in Progress	5,097,342	6,179,097
	Total	36,337,232	32,517,826
17	Trade receivables		
	(nsecured, considered good unless otherwise stated)		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment	3,992,612	4,696,208
	Other Trade receivables	35,763,744	21,917,635
	Total	39,756,356	26,613,843
	Note: Trade receivables include debts due from :		
	Directors	NIL	NIL
	Other officers of the Company	NIL	NIL
	Firms in which any director is a partner	NIL	NIL
	Private companies in which any director is a director or member	814,560	996,433
18	Cash and cash equivalents		
	(a) Cash on hand	577,623	612,085
	(b) Balances with banks		
	(i) In Current accounts	9,197,043	8,946,050
	(ii) In Deposit accounts		
	Bank Deposits with original maturity for more than 12 months	208,784	2,794,627
	(Towards margin money for issue of BG)		
	(c) Others (Cheques in hand)	-	41,109
	Credit Card Collection due	803,539	321,645
	Total	10,786,989	12,715,516
	Note: Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 107,86,989 (Previous Year ₹ 127,15,516/-)		
19	Short-term loans and advances		
	(nsecured, considered good unless otherwise stated)		
	Advance for Purchase	587,028	168,524
	Other Advances	3,517,875	5,065,344
	Prepaid expense	171,853	141,631
	Total	4,276,756	5,375,499

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

Notes	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Amount in ₹	Amount in ₹
20	**Revenue from Operations**		
	(a) Sale of products	187,815,145	194,736,761
	(b) Sale of services	140,632,858	162,087,737
	Total	328,448,003	356,824,498
	(i) Sale of products comprises:		
	Sale of Ayurvedic Medicine	187,815,145	194,736,761
	Total	187,815,145	194,736,761
	(ii) Sale of services comprises:		
	Treatment income	78,107,750	79,576,142
	Research Consultancy	9,275,000	34,825,000
	Training Income	41,249,780	32,881,004
	Registration Fees	2,450,367	2,464,480
	Income from Nursing Services	840,868	-
	Income from Ayu Clinical Services	5,579,623	7,255,265
	Other Operational Income	3,129,470	5,085,846
	Total	140,632,858	162,087,737
21	**Other Income**		
	Interest Received	62,245	219,539
	Miscellaneous Receipts	-	1,535
	Dividend Income	5,500	5,500
	Total	67,745	226,574
22	**Cost of materials consumed**		
	Raw Material		
	Opening stock	5,474,285	6,927,607
	Add: Purchases	50,281,213	46,087,388
	Less: Closing stock	6,662,371	5,474,030
	(A)	49,093,127	47,540,965
	Packing Material		
	Opening Stock-Packing Material	1,548,129	3,167,251
	Add: Purchase - Packing Material	13,352,345	12,781,257
	Less: Closing Stock	2,130,605	1,548,287
	(B)	12,769,869	14,400,221
	Cost of material consumed(A+B)	61,862,996	61,941,186
23	**Purchase of Stock in Trade**		
	Purchase of Medicines	1,714,967	3,880,249
	Total	1,714,967	3,880,249
24	**Changes in inventories of stock of F G, WIP & Stock in trade**		
	Inventories at the end of the year:		
	Stock of FG,WIP & Stock in Trade	24,188,920	22,242,635
		24,188,920	22,242,635
	Inventories at the beginning of the year:		
	Stock of FG,WIP & Stock in Trade	22,242,539	51,640,030
		22,242,539	51,640,030
	Net (increase) / decrease	(1,946,381)	29,397,395
25	**Employee benefits expense**		
	Salaries and wages	95,049,572	107,951,812
	Contributions to provident funds	5,329,973	5,289,009
	Staff welfare expenses	4,691,262	4,303,979
	Total	105,070,807	117,544,800
26	**Finance costs**		
	(a) Interest expense on:		
	(i) Borrowings	6,570,316	8,813,264
	(ii) Others		
	- Interest on Vehicle Loans	115,101	54,515
	- Bank Charges	1,785,944	894,275
	- Other Interest	1,300,233	941,473
	Total	9,771,594	10,703,527

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

Notes	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Amount in ₹	Amount in ₹
27	**Depreciation and Amortisation expense**		
	Depreciation	10,492,570	10,191,661
	Amortisation of Goodwill & Project Expenses	9,504,082	8,654,787
	Miscellaneous Expenses Written off	978,378	2,077,366
	Total	**20,975,030**	**20,923,814**
28	**Other expenses**		
	Rent	14,190,308	12,797,813
	Rates and Taxes	1,869,467	1,957,911
	Legal & Professional charges	5,765,712	4,410,153
	Directors Sitting Fee	225,000	170,000
	Research and Development Expenses	854,943	1,150,945
	Travelling - Others	2,500,234	3,005,823
	Loss on sale of fixed Asset	4,797	-
	Publication Expenses	362,047	294,902
	Repairs & Maintenance- Others	3,197,805	2,469,739
	Vehicle Maintenance	145,605	117,619
	Insurance	177,048	103,713
	Printing & Stationery	2,102,786	1,971,775
	Postage & Telephone	2,832,384	4,926,352
	Secretarial Expenses	701,865	716,436
	Repairs & Maintenance Branch assets	1,350,933	1,092,450
	Forex Fluctuation Loss	(0)	26,209
	Project Ojus related expense	-	2,510,310
	Conveyance Expenses	3,091,675	1,802,322
	Computer & Internet Expenses	1,692,532	-
	Canteen Expenses	884,695	1,194,733
	Bad Debts W/Off	1,765,196	4,621,943
	Electricity charges (Branches/Depot)	1,563,805	1,545,857
	Other Administrative Expenses	6,560,783	7,330,948
	Audit fee	253,291	276,180
	Travelling - Sales Staff	6,159,394	8,968,399
	Advertisements	2,424,241	1,117,184
	Commission & Discount	8,501,894	6,518,493
	Training Expenses	8,770,114	8,468,681
	Freight Outward	4,030,794	3,433,627
	Sales promotion exp	9,801,000	6,530,410
	Other Selling & Distribution Expenses	1,165,754	8,510,382
	Fuel Consumed	9,488,069	8,743,276
	Electricity charges	1,719,295	2,356,817
	Repairs to Plant & Machinery	1,067,878	1,272,781
	Repairs to Building	545,947	1,067,623
	Job Works	3,391,284	2,863,373
	Other Manufacturing Expenses	63,004	1,813,881
	Cultivation Expenses	98,993	111,051
	Treatment Expenses & Other Direct Exp	9,381,241	3,262,771
	Total	**118,701,812**	**121,533,082**
	(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
	As auditors - statutory audit	181,180	180,150
	For taxation matters	11,236	26,030
	For company law matters	39,775	37,500
	For other services	-	10,000
	Reimbursement of expenses	21,100	22,500
	Total	**253,291**	**276,180**

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

29 Consolidation

a. Nutraveda Pte Ltd incorporated in Singapore on 29th June 2009 is yet to commence business.

b. Details of Subsidiaries

Name of the company	Country of Inc.	% of Voting Power	Financial year
Ayurvedagram Heritage Wellness	India	74%	April-March
Ayu Natural Medicine Clinic, PS.	SA	100%	April-March
Ayurvedic Academy INC.	SA	100%	April-March
Ayu INC.	SA	100%	April-March
Nutraveda Pte Ltd	Singapore	100%	April-March
CMS Katra Holdings LLC*	SA	81.67%	April-March
CMS Katra Nursing LLC	SA	100%	April-March

* CMS Katra Nursing LLC, is a step down Wholly owned subsidiary of the company where CMS Katra Holdings LLC holds 51% voting power and 49% is held thru Ayu Inc.

Principles of consolidation

. The consolidated financial statement is based on the audited financial statements of the subsidiaries for their respective financial years.

. The financial statement of the parent company and its subsidiaries have been combined to the extent possible on a line by line asis by adding together like items of assets, Liabilities, Income and expenses. All intra group balances and transactions have been eliminated on consolidation.

3. Minority interest in the net income and net assets of the consolidated financial statements are computed separately.

30 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Holding Company	Katra Holdings Ltd, Mauritius
Associates	All Seasons Herbs Pvt. Ltd.
	Arudrama Developments Pvt. Ltd.
	Asha Medical Foundation Pvt. Ltd.
	Global AgriSystem Pvt. Ltd.
	Gobal Nutrifood Pvt Ltd
	Katra Holding Pvt. Ltd.
	Katra Marine Pvt. Ltd.
	Katra Phytochem India Pvt. Ltd.
	Mason & Summers Alcobev Pvt. Ltd.
	Mason & Summers Leisure Pvt. Ltd.
	Mason & Summers Marketing Service Pvt. Ltd
	Katra Finance Ltd, Mauritius
	Seagrow Bio-Technics India Pvt. Ltd
Managerial Person-Director	Dr K Anil Kumar
Relative of key Managerial Person	Mrs Sunitha Anilkumar
	Mrs Chithra Gopinath

Note: Related parties have been identified by the Management.

KERALA AYURVEDA LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2013

Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

Amount in ₹

Particulars	March 31, 2013	March 31, 2012
Purchase of raw Materials- All Season Herbs Pvt Ltd	4,399,731	4,008,243
Rendering of services- Global Agri Systems Pvt Ltd	26,149	134,617
Rendering of services- Global Nutrifood Pvt Ltd	394,760	393,811
Rendering of services- Katra Holding Pvt Ltd	-	419,785
Rendering of services- Mason & Summers Leisure Pvt Ltd	152,130	4,020
Rendering of services- Katra Phytochem India Pvt Ltd	517,161	-
Recieving of services- Mason & Summers Leisure P Ltd	898,468	1,391,416
Rent Paid-Sunitha Anil Kumar and Chithra Gopinath	1,032,300	1,026,000
Managerial reuneration-Dr K Anilkumar	3,000,000	3,000,000
Reimbursement of Expenses by Katra Holding Pvt Ltd	1,425,639	1,358,258
Borrowings (including loans)- Katra Finance Ltd, Mauritius	4,099,197	
Borrowings (including loans)- Katra Holding Pvt Ltd	89,015,762	119,315,000
Repayment of Loans-Katra Holding Pvt Ltd	16,500,000	131,800,000
<u>Balances outstanding at the end of the year</u>		
Borrowings- Katra Finance Ltd, Mauritius	(48,690,572)	(52,789,769)
Borrowings- Katra Holding Pvt Ltd	549,931,573	478,841,450

31 Contingent Liabilities

I. The company has given a bank guarantee of ₹.1,000,000/- to Health & Family Welfare Dept, Government of Kerala towards security deposit for giving permission to start one year para medical certificate course in Ayurveda Therapy. (PY ₹.1,000,000/-)

II. The company has given a bank guarantee of ₹.500,000/- to The Registrar, Banaras Hindu niversity towards security deposit for setting up Kerala Ayurveda Panchakarma Center at S S Hospital under BH . (PY - Rs Nil)

III. The company has given a bank guarantee of ₹.100,000/- to Commissioner, Indian Medicine and Homeopathy, Chennai-106 (PY - ₹. NIL)

IV. The company has given a bank guarantee of ₹.90,000/- to Commissioner, Delhi Value Added Tax towards VAT registration at Delhi (PY - ₹.90,000/-)

V. The company has given a bank guarantee of ₹.50,000/- to Commissioner, Delhi Value Added Tax towards F Form. (PY - ₹.50,000/-)

32 Deferred tax assets/ (liabilities)

Amount in ₹

Particulars	As at March 31, 2012	Movement	As at March 31, 2013
Book/Tax depreciation difference	(15,363,060)	370,868	(14,992,192)
Provision for Gratuity	2,476,214	224,539	2,700,753
Carry forward of business Loss	27,325,683	(6,590,798)	20,734,885
Expense Allowed on Payment basis	(1,168)	1,168	-
rabsorbed Depreciation Carried forward	17,105,823	-	17,105,823
Total deferred tax liability	**31,543,492**	(5,994,223)	**25,549,269**

33 Segment results: The company is primarily engaged in Ayurvedic services and products, accordingly there is no separate reportable segment in accordance with AS 17-Segment reporting prescribed under the Companies (Accounting Standards) Rules 2006.

34 Previous year figures have been regrouped and recasted wherever necessary to confirm to the classification of the current year

KERALA AYURVEDA LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

Particulars	For the year Ended March 31, 2013	For the year Ended March 31, 2012
	Amount in ₹	Amount in ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and Interest	10,197,231	(12,439,466)
Adjustment for:		
Interest Received	(62,245)	(219,539)
Dividend Received	(5,500)	(5,500)
Depreciation	10,492,570	10,191,661
Miscellaneous Expenditure & Deffered Exp W /off	10,482,460	10,732,153
Deferred Expenditure Goodwill & Patent	(2,482,858)	(3,055,611)
Long term Capital gain on Compulsory acquisition of land	(1,969,841)	-
(Profit)/Loss on sale of fixed assets	(422)	-
Operating profit before working capital changes	26,651,395	5,203,698
Adjustments for:		
Trade receivables	(13,142,513)	21,355,223
Inventories	(3,819,406)	33,109,375
Short Term loans and advances	1,098,743	39,084,986
Long Term loans and advances	(104,466,926)	7,742,318
Long Term Provisions	959,640	970,723
Other Long Term Liabilities	2,078,000	(500,000)
Trade Payables	2,089,287	(11,198,846)
Other Current Liabilities	9,766,062	4,841,705
Short Term Provisions	961,050	(1,002,346)
Other Non Current assets	-	(7,005,466)
Cash generated from operations	(104,476,063)	87,397,672
Direct taxes paid	(585,657)	(57,033)
Net cash from operating activities A	**(78,410,325)**	**92,544,337**
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(41,193,859)	(7,289,740)
Sale of fixed assets	2,025,244	-
Investment	-	(4,348,600)
Gain on conversion to INR	878,571	3,890,314
Dividend Received	5,500	5,500
Interest Received	62,245	219,539
Net cash used in Investing activities B	**(38,222,299)**	**(7,522,987)**
C.CASH FLOW FROM FINANCING ACTIVITIES		
Repayment (-)/ Proceeds(+) of UnSecured Loans	127,995,130	(85,662,382)
Repayment (-)/ Proceeds(+) of Secured Loans	-	(14,460,682)
Net Increase/(Decrease) in Working Capital Borrowings	(3,519,440)	485,893
Finance Cost	(9,771,594)	(10,703,527)
Net cash from financing activities C	**114,704,096**	**(110,340,698)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**(1,928,527)**	**(25,319,348)**
Cash & Cash Equivalents at Beginning of year	12,715,516	38,034,865
Cash & Cash Equivalents at End of year	10,786,989	12,715,516

In terms of our report attached.

For MAHARAJ RAJAN & MATHEW,
Chartered Accountants
FRN: 001932S

MATHEW JOSEPH B.Com.,FCA
Partner
MEM REGN No. 22658

Bangalore
29th May, 2013

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

Dr. K ANILKUMAR
Executive Director

A T JACOB
Director

K RAGHUNADHAN
Company Secretary

KERALA AYURVEDA LIMITED

LIST OF HOSPITALS, TREATMENT CENTRES, CLINICS, DEPOTS, ACADEMY & HEALTH RESORT

HOSPITALS: IN KERALA

KERALA AYURVEDA HOSPITAL
AMRITHAM HOSPITAL
BANK ROAD, ALUVA-683 101.
ERNAKULAM DIST.
PH: 0484-2626119, 2623578

KERALA AYURVEDA HOSPITAL
KAMATH HOSPITAL WING
NEAR NEW BUS STAND
MANGALORE ROAD,
KASARGODE-671 121.
PH: 0499-4222519

TREATMENT CENTRES-IN KERALA

KERALA AYURVEDA WELLNESS CENTER
OLD WARRIAM ROAD EAST
A.M.THOMAS ROAD,
ERNAKULAM-682 016.
PH: 0484-2375292, 2378198

KERALA AYURVEDA WELLNESS CENTER
XXVII/478, THEJUS,
OPP NANDILATH G MART, TOLL JN,
EDAPALLY, ERNAKULAM-682 016.
PH: 0484-2557244

CLINICS IN KERALA

KERALA AYURVEDA CLINIC
KOTTAKKAL BLDG, PREMIER JUNCTION,
KALAMASSERY-683104.
ERNAKULAM DIST
PH: 0484-2556770

KERALA AYURVEDA CLINIC
FACT EMPLOYEES BUILDING
UDYOGAMANDAL,
ERNAKULAM DIST-683 501
PH: 0484-2546313

KERALA AYURVEDA CLINIC
SOUTH NADA P.O,
VAIKOM, KOTTAYAM DIST-682 041
PH: 04829-215043

KERALA AYURVEDA CLINIC
SCB BUILDING NEAR ELAMKAVU TEMPLE
VADAYAR-686 605, KOTTAYAM DIST.
PH: 04829-237395

KERALA AYURVEDA CLINIC
SHOP NO.37/421
S.N.JUNCTION,
PALARIVATTOM, ERNAKULAM-682205
PH: 0484-2344414

KERALA AYURVEDA CLINIC
SHOP NO.158D
THADIYANTHADATHIL BUILDING
NEAR BUS STAND,
KURUVILANGADU, KOTTAYAM DIST
PH: 0482-2230787

KERALA AYURVEDA CLINIC
MAX FLORA,
UPPALA
KASARGODE- 670 322.
PH:0499-8244011

KERALA AYURVEDA CLINIC
MAIN ROAD,
AYYPPANKAVU
ERNAKULAM, KOCHI 12
PH: 0484 2390151

KERALA AYURVEDA CINIC
CHATHANATTU BUILDING
OPP GOVT. HOSPITAL, MC ROAD
KOOTHATTUKULAM
PH :0485-2250376

KERALA AYURVEDA CLINIC
SHOP NO.VII/358
SURYA COMPLEX
KALADY
PH:0484-2467766

KERALA AYURVEDA CLINIC
DARUSALEM BUILDING
OPP. POST OFFICE
SHORNUR
PH:0466-2224284

HEALTH RESORT

AYURVEDAGRAM
AYURVEDAGRAM HERITAGE WELLNESS CENTRE P L
HEMANDANAHALLI, SAMETHANHALLI POST,
VIA WHITEFIELD,
BANGALORE-560 067. KARNATAKA
PH: 080-27945428- 30, 65651090

KERALA AYURVEDA RIVER RETREAT
MONASTERY LANE. A M ROAD
ALUVA 683101
ERNAKULAM DIST.
PH: 0484 2625630 2628630

HOSPITAL WING

VYDEHI AYURVEDAGRAM
VYDEHI HOSPITAL WING
82, EPIP AREA, WHITEFIELD,
BANGALORE - 560 066, KARNATAKA
PH: 080-28413658

TREATMENT CENTRES-OUTSIDE KERALA

KERALA AYURVEDA WELLNESS CENTER
AD 20(PLOT NO.3337)
5th AVENUE, ANNA NAGAR,
CHENNAI-600 040. TAMIL NADU
PH: 044-26214903

KERALA AYURVEDA WELLNESS CENTER
No 3282, 12TH MAIN,
HAL IIND STAGE,
INDIRA NAGAR,
BANGALORE-560 038. KARNATAKA
PH: 080-25204489, 25262515

KERALA AYURVEDA WELLNESS CENTER
#400, 18TH MAIN, 6TH BLOCK,
KORAMANGALA,
BANGALORE-560 095., KARNATAKA
PH: 080-41699699

KERALA AYURVEDA WELLNESS CENTER
No.15,SWATHI, 80FT ROAD,
HMT LAYOUT,
R T NAGAR,
BANGALORE-560 032. KARNATAKA
PH: 080-23339455

KERALA AYURVEDA WELLNESS CENTRE
DOOR NO.6/112/19
PUMPWELL JUNCTION
NEAR GARODIA TEMPLE
MANGALORE- 575 002. KARNATAKA
PH:0824-2242027 MOB-9900327027

KERALA AYURVEDA WELLNESS CENTER
6-3-0906/B/1, SOMAJIGUDA
NEAR YASODA SPECIALITY HOSPITAL
HYDERABAD-500 082.
ANDHRA PRADESH
PH: 040-66613357

KERALA AYURVEDA PANCHAKARMA CENTER
SIR SUNDERLAL HOSPITAL, BANARAS HINDU UNIVERSITY,
GREEN PARK MAIN MARKET ROAD,
VARANASI-5 , UTTAR PRADESH
PH: 0542-6540980, 9235502847

KERALA AYURVEDA WELLNESS CENTER
E-2, GREEN PARK EXTN,
GREEN PARK MAIN MARKET ROAD,
NEW DELHI-110 016. DELHI
PH: 011-41754888/41759347

KERALA AYURVEDA WELLNESS CENTER
AAROGYAM,52,DHULESHWAR BAGH
SARDAR PATEL MARG, C-SCHEME,
JAIPUR - 302 001,RAJASTHAN
PH: 0141-4022422

KERALA AYURVEDA WELLNESS CENTER
HOUSE NO 13, SECTOR 2,
TRIKUTA NAGAR,
JAMMU-180 012. JAMMU & KASHMIR
PH: 0191-2470659, 97962-34566

FRANCHISEE CLINIC- KERALA

KERALA AYURVEDA CLINIC
OPP NEW KSRTC BUS STAND
FORT ROAD, NORTH PARUR,
ERNAKULAM DIST.
PH: 0484-2445718

ACADEMY

KERALA AYURVEDA ACADEMY
HRD CENTER, BANK EMPLOYEES SOCIETY
HALL BLDG, PALACE ROAD, BANK JUNCTION
ALUVA - 683 101. PH: 0484-2628707

CLINICS OUTSIDE KERALA

KARNATAKA:
KERALA AYURVEDA CLINIC
12, BOWRING HOSPITAL ROAD,
SHIVAJI NAGAR, BANGALORE-560 001.
PH: 080-25591825

KERALA AYURVEDA CLINIC
NO.285. WHITEFIELD MAIN ROAD,
OPP STATE BANK OF MYSORE,
WHITEFIELD, BANGALORE-560 065.
PH: 080-28456212

MAHARASHTRA:
KERALA AYURVEDA CLINIC
SHOP NO.2, WESTERN SECTOR
NEAR YAMUNA BUILDING-BARC COLONY
ANUSAKHI NAGAR- MUMBAI-400 094.
PH: 022-25588595

KERALA AYURVEDA CLINIC
NAVINASHA,126,
DADASAHIB PHALKE ROAD
DADAR, MUMBAI-400 014.
PH: 022-24113101

KERALA AYURVEDA CLINIC
DISPENSARY COMPLEX,
SNMS AYURVEDA DISPENSARY,
3 & 4, PROJECT COLONY,
TARAPUR, TAPP P.O-401 504.
PH: 02525-263823

DEPOT IN KERALA:
KERALA AYURVEDA DEPOT
SHOP NO.2/1402,
MARKET ROAD-KARAPARAMBU
CALICUT(KOZHIKODE)- 380 014
PH: 9562508420

DEPOT OUTSIDE KERALA:
KERALA AYURVEDA DEPOT
6-3-906/B/1, 1ST FLOOR, SOMAJIGUDA
BEHIND YASODA SPECIALITY HOSPITAL
HYDERABAD-500 082.
PH: 040-66613357

KERALA AYURVEDA DEPOT
104, 1ST FLOOR,
GAURI COMMERCIAL COMPLEX
PLOT NO.19, SECTOR 11,
CBD BELAPUR,
NAVI MUMBAI -400 614
PH: 022-27581075

KERALA AYURVEDA DEPOT
K-13 A,
HAUZ KHAS ENCLAVE
NEW DELHI-110 016
PH: 011-4636 0000 EXTN -120

KERALA AYURVEDA DEPOT
38, DEHGAM JAIN SOCIETY,
KASHIB ROAD, RANIP,
AHMEDABAD- 380 014
PH: 079-27540263

KERALA AYURVEDA DEPOT
26,SRISAIRAM STREET,
PANEER NAGAR, MOGAPPAIR,
CHENNAI-600 037,
TAMIL NADU
PH: 044-26560217, 9884485161

KERALA AYURVEDA DEPOT
NO.18,TAGORE NAGAR
SBI OFFICERS III COLONY
SS COLONY-MADURAI
MADURAI -625 020,
TAMIL NADU
PH: 0452-2606373

KERALA AYURVEDA DEPOT
67, 1ST FLOOR, SRIKUMARAGIRI,
12TH MAIN, 35TH CROSS, 2ND BLOCK,
RAJAJINAGAR,
BANGALORE- 560010, KARNATAKA
PH:080-23128167

KERALA AYURVEDA DEPOT
B36/9C, SANKATMOCHAN-LANKA,
VARANASI ,
UTTAR PRADESH-221005

KERALA AYURVEDA LIMITED

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

ANNUAL GENERAL MEETING

Attendance Slip

Folio No./DPID No./Client ID No. :

Name of the shareholder(s) :

No. of shares :

I/We hereby record my/our presence at the ANNUAL GENERAL MEETING of the company on **Friday, the 27th September 2013 at 2.30 P.M at Green Park Auditorium, Desom, Aluva-683103.**

Signature of the Attending Member/Proxy

Notes:

1. Shareholders/Proxy holders who wish to attend the meeting are requested to bring this Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. Shareholders/Proxy holders should bring their copy of the notice for the meeting
3. Shareholders desiring to appoint proxies to attend the meeting are requested to send the attached proxy form, duly completed and signed, to reach the Secretarial Department, Kerala Ayurveda Ltd, VII/415, Nedumbassery, Athani P.O, Aluva 683585, not less than 48 hours before the commencement of the meeting.
4. The registration at AGM venue shall be open only upto the time the AGM starts. Shareholders are requested to be present before the AGM time.

KERALA AYURVEDA LIMITED

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

ANNUAL GENERAL MEETING

Proxy Form

I/We ....of...being a Member/Members of KERALA AYRUVEDA LTD hereby appoint .... or him..of..as my/our proxy to attend and vote for me/us on my/ our behalf at the Annual General Meeting of the company to be held on **Friday, the 27th September 2013 at 2.30 P.M at Green Park Auditorium, Desom, Aluva-683103** and at any adjournment thereof.

Signed this .... Day of.. 2013

Folio No./DPID No./Client No. :

No. of shares :

Affix Re.1/- Revenue Stamp

Signature...

Note: The Proxy must be deposited at the Secretarial Department, KERALA AYURVEDA LTD, Regd. Off: VII/415, Nedumbassery, Athani P.O, Aluva-683585 not less than 48 hours before the commencement of the meeting.

THIS COUPON ENTITLES YOU TO PURCHASE KAL'S MEDICINES FROM THE COMPANY'S DIRECT OUTLETS (REFER PAGE 51) AT 15% DISCOUNT

15% DISCOUNT ON M.R.P ₹ 250/-

Name...

Signature...

Folio No...

VALID UPTO 31.03.2014

15% DISCOUNT ON M.R.P ₹ 250/-

Name...

Signature...

Folio No...

VALID UPTO 31.03.2014

15% DISCOUNT ON M.R.P ₹ 250/-

Name...

Signature...

Folio No...

VALID UPTO 31.03.2014

15% DISCOUNT ON M.R.P ₹ 250/-

Name...

Signature...

Folio No...

VALID UPTO 31.03.2014

BOOK - POST

If undelivered, please return to:

Kerala Ayurveda Limited

Regd. Office & Factory: VII/415, Nedumbassery, Athani P.O., Ernakulam District, Kerala - 683585

Tel: 0484 - 2476301/2/3/4, Fax: 0484 - 2474376

Corporate Office: No.1134, 1st Floor, 100 Feet Road, HAL 2nd Stage, Indiranagar, Bangalore - 560008.

Tel: (+91) 080 - 41808000, Fax: 080 - 41808043, Email: info@keralaayurveda.biz

www.keralaayurveda.biz

www.ayurvedagram.com | www.ayurvedaonline.com | www.ayurvedaacademy.com