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## Board of Directors

- Dr. Ali Kumble - Chairman
- Dr. Yusuf .A. Kumble - Managing Director
- Mr. Abdul Latheef - Vice Chairman
- Mr. K.N. Abdul Hameed
- Mr. Basir Kinningar
- Mr. Haneefa Aramana
- Mrs. Nifri Yusuf
- Mrs. Raziya Ali
- Dr. Zulkifli Misri
- Dr. Elvis Rodrigues
- Mr. BN Harish -
- Mr. Prasad Bellipady Kausal -

## Management Team

- Mr. Kesav Das - Management Advisor
- Mr. Chaitanya V - Chief Financial Officer
- Mr. E. Vijay Chandra - Chief Operating Officer
- Dr. Sachin N Suresh - Manager Operations
- Dr. Devanand Shetty M - Medical Administrator
- Mr. Nikhil K Thomas - Manager Biomedical Engineering & Supply Chain
- Mr. Powloose Skariya - Manager Radiology
- Mr. Antony K.F - Manager Maintenance
- Mr. Kiran Kumar K - Manager Finance
- Mrs. Flavy - Dy. Nursing Superintendent

### Investor Relation Cell:

Email: [investorrelations@indianahospital.in](mailto:investorrelations@indianahospital.in)  
Cell: 0091-7760469888  
Tel: 0824-2880880

### Registered Office

**Mahaveer Circle, Pumpwell, Kankanady Post,  
Mangalore-575002, Karnataka**

## List of Consultants

1	Department of Orthopedics & Joint Replacement Surgery	Dr. Naveenachandra Alva Dr. Jalaluddin, Dr. Rizwan
2	Department of Gynecology & Obstetrics	Dr. Bhavana Y Sherigar
3	Department of Pediatrics & Neonatology	Dr. Ali Kumble Dr. Abhishek K Phadke Dr. Arun Varghese
4	Department of Nephrology	Dr. Pradeep K.J
5	Department of Gastroenterology	Dr. Apoorva. S
6	Department of Psychiatry	Dr. Sivagnanalingam Sivakanth
7	Department of Radiology	Dr. Praveen Achar Dr. Sunil H C
8	Department of ENT	Dr. Pallavi Pavithran
9	Department of General Medicine	Dr. Adithya V Bharadwaj Dr. MohammadSha Alam
10	Department of Gen. & Laparoscopic Surgery	Dr. Keshav Prasad Y. V
11	Department of Cardiology	Dr. Yusuf. A. Kumble
12	Department of Cardio Thoracic Surgery	Dr. Prashanth Vaijyanathan Dr. Siddharth V T
13	Department of Neurology	Dr. Zulkifli Misri Dr. Safwan Ahmed
14	Department of Anesthesia	Dr. Seema Alva Dr. Shanfer Dr. Madhan
15	Department of Emergency Medicine	Dr. Salfi V.K Dr. Ashok Kumar K Dr. Ajit Alfred Solomon
16	Department of Neuro Surgery	Dr. Elvis Rodrigues
17	Department of Urology	Dr. Abijith Shetty
18	Department of Dermatology	Dr. Shubha
19	Department of Rheumatology	Dr. Arifa Haleema
20	Department of Pathology	Dr. Bhaskar U .A
21	Department of Dentistry	Dr. Meghana .S. Kumar
22	Department of Ophthalmology	Dr. Shahida Banu
23	Department of Pediatric Surgery	Dr. Vijaymahanthesh Samalad



## Chairman Message

Dear Shareholders,

While we are into our Eight year of operations of our Hospital, I begin this letter with a sense of pride about how well our company has performed. I am extremely glad to inform you that our company has made Profit of Rs.453.15 lakhs. It is not only about our strong financial performance but also about how much we have accomplished to help our patients, stake holders and the community.

### Financial Performance of the Company

The financial performance of the Company has improved over the previous year as shown below:  
 (Rupees in Lakhs)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue	4,863.64	4,606.61	4,376.78	3,825.96	3,162.17	2,926.44	2,487.62
EBIDTA	950.06	966.25	813.20	665.49	451.21	346.47	298.84
Cash Profit	917.71	900.67	705.55	558.01	256.07	114.14	89.45
Net Profit before Tax	629.14	623.57	431.40	263.29	15.18	(130.92)	(81.24)
Net Profit after Tax	453.15	459.49	410.42	237.06	15.18	(130.92)	(81.24)

Some of the highlights of our performance is as below:

- The Company has made a net profit of Rs.453.15 lakhs. Revenue of the company has grown by 5.5%.

### Our Special Thanks

We wish to thank all our investors who had reposed their full trust on us and supported us in our journey so far. Our sincere appreciation also to all our Consultants, Technicians Paramedics, Nursing and all Staff members for their commitment and hard work. Finally, we wish to thank all our patients and their families.

### Conclusion

The next Annual General Meeting of the Company is scheduled on Thursday, the 24th day of December 2020 at 11.00 A.M. We look forward to meeting them personally during The venue of the AGM will be the hospital premises which will also provide an opportunity for our investors to see their hospital.

With Best Regards,  
 Sd/-

**Dr. Ali Kumble**  
 Chairman

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 10th Annual General Meeting of the members of the Company will be conducted in electronic mode through Video-Conferencing (VC)/ other Audio Visual Means ("OAVM") facility on Thursday, the 24th day of December 2020 at 11.00 A.M. at the Registered Office of the Company at Mahaveer Circle, Pumpwell, Kankanady Post, Mangalore -575002 to consider the following Business.

### ORDINARY BUSINESS:

1. To receive, consider, adopt, and approve the Audited Financial Statements of the Company for the year ended 31st March 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Raziya Ali, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. Haneefa Aramana, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Basir Kinningar, who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint the Statutory Auditors of the Company and fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the AGM to be held in the year 2021 at such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### SPECIAL BUSINESS:

6. To consider and pass with or without modification(s), the following resolution, as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 and the provisions of Articles of Association of the Company and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the consent of the members be and is hereby accorded to the reappointment of Dr. Yusuf Aramanayil as the Managing Director of the Company for a period of five years with effect from 01.04.2020 to 31.03.2025, without any remuneration."

7. To consider and pass with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 and the provisions of Articles of

Association of the Company and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the consent of the members be and is hereby accorded to the reappointment of Dr. Ali Kumble as the Whole-time Director of the Company for a period of five years with effect from 01.04.2020 to 31.03.2025 , without any remuneration.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of the appointment of the appointee including the remuneration as it may, at its discretion, deem fit from time to time provided that the remuneration is within the limit laid down in the provisions of the Companies Act, 2013.”

8. To consider and pass with or without modification(s), the following resolution, as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 188, 197 of the Companies Act, 2013 read with the rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of the Members be and is hereby accorded to the revision in the remuneration of related parties holding office or place of profit Dr. Yusuf Kumble, Dr Ali Kumble, Dr. ZK Misri, w.e.f. 01st April 2020 and Mrs. Nifri Yusuf w.e.f 01st March 2020 as detailed in the explanatory statement.”

“RESOLVED FURTHER THAT the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013 to effect change in designation and responsibilities of the persons holding office or place of profit within the maximum limit approved by the shareholders.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority.”

9. To consider and pass with or without modification(s), the following resolution, as a Special Resolution:

“RESOLVED THAT in terms of Sections 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013, and Companies (Prospectus and Allotment of Securities) Rules, 2014, and Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules made there-under (including any statutory modification(s) or re-enactments thereof for the time being in force) or any other rules made thereunder as amended from time to time and other applicable laws, if any, each as may be applicable, and the provisions of the Memorandum and Articles of Association of the Company and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company and subject to such, consents and approvals of any statutory/regulatory authority, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the company be and is hereby accorded for raising by issue of 5% Redeemable Cumulative Preference Shares of Rs.100/- each at Rs.100/- per share, in one or more tranches, as per the structure and within the limits permitted by the regulatory authorities, to eligible investors for an amount not exceeding Rs.1,16,50,000/-.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to do all such acts, deeds, matters and execute all documents as may be necessary in this regard and to delegate all or any of the power herein conferred, to any one or more Directors of the Company.”

**By Order of the Board,  
For Indiana Hospital and Heart Institute Limited,**

Sd/-

**Yusuf Aramanayil**  
Managing Director  
Din: 00354740

Sd/-

**Ali Kumble**  
Whole-time Director  
Din:00353935

Place: Mangalore | Date: 30.09.2020

## Notes:

### A

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) and Extra-ordinary General Meeting (“EGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In case, a poll is ordered during the meeting the members can cast their vote by sending an email to the e-mail id AGMPOLLINDIANA@GMAIL.COM Such email shall be sent only after the poll is ordered by the Chairman.
4. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company on or before November 12, 2020 through email on AGMQUESTIONSINDIANA@GMAIL.COM The same will be replied by the Company suitably.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed with this Notice.
7. A copy of this notice is made available on the website of the Company <https://www.indianahospital.in/reports-and-notice/>

### B

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Members will be able to attend the AGM through VC / OAVM by using <https://zoom.us/j/94579506868>
2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and shall close on expiry of 15 minutes after the scheduled time of the meeting.
3. Members who need assistance before or during the meeting, can contact Mr. Sanjay, Contact No. 7259016564, email-id: [itsupport@indianahospital.in](mailto:itsupport@indianahospital.in).



## **EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT, 2013**

### **Item No. 6**

Dr. Yusuf Aramanayil is a Promoter-Director of the Company and was last appointed as the Managing Director by the Board in the year 2014-15, which was later approved by the Members of the Company at the ensuing Annual General Meeting of the Company. He has completed his term as Managing Director at the end of the financial year 2019-20.

Dr. Yusuf Aramanayil is a Interventional Cardiologist and has to his credit more than 28 years of experience in the medical field. The Company is currently going through a tough period due to the prevailing pandemic situations in the state and the country and at this crucial juncture, the continued services of Dr. Yusuf Aramanayil are considered essential for successful turnaround by the Company. It is also essential for the Company to have his continued services for its future growth.

The Board of Directors, at their Meeting held on 13.03.2020, have appointed Dr. Yusuf Aramanayil as the Managing Director of the Company for a period of five years from 01.04.2020 to 31.03.2025.

In terms of the provisions of the Companies Act, 2013, consent of the shareholders is required for appointment of Dr. Yusuf Aramanayil as the Managing Director of the Company. The Board recommend the resolution as set out in item no. 6 for approval of the members as an ordinary resolution.

Mrs. Nifri Yusuf, Dr. Ali Kumble , Mr. Haneefa Aramana is interested in the above resolution as relatives of Dr. Yusuf Aramanayil.

### **Item No. 7**

Dr. Ali Kumble is a Promoter-Director of the Company and was last appointed as the Whole-time Director by the Board in the year 2014-15, which was later approved by the Members of the Company at the ensuing Annual General Meeting of the Company. He has completed his term as Chairman at the end of the financial year 2019-20.

Dr. Ali Kumble is a Senior Pediatrician and has to his credit more than 28 years of experience in the medical field. The Company is currently going through a tough period due to the prevailing pandemic situations in the state and the country and at this crucial juncture, the continued services of Dr. Ali Kumble are considered essential for successful turnaround by the Company. It is also essential for the Company to have his continued services for its future growth.

The Board of Directors, at their Meeting held on 13.03.2020, have appointed Dr. Ali Kumble as the Whole-time Director of the Company for a period of five years from 01.04.2020 to 31.03.2025.

In terms of the provisions of the Companies Act, 2013, consent of the shareholders is required for appointment of Dr. Ali Kumble as the Whole-time Director of the Company. The Board recommend the resolution as set out in item no. 7 for approval of the members as an ordinary resolution.

Mrs. Raziya Ali, Dr. Yusuf Aramanayil, Mr. Haneefa Aramana is interested in the above resolution as relatives of Dr. Ali Kumble.

## Item No. 8

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases, approval of the shareholders is also required.

Section 188(1) (f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 25th September 2020 had consented for increase of amount payable to related parties holding office or place of profit w.e.f. 01st April 2020, subject to approval of the Shareholders by way of an Ordinary Resolution.

The details of the increased remuneration are given below. As per section 188(1)(f) and 197 (4) of the Companies Act, 2013, your Directors recommends the resolutions for your approval.

None of the Directors, relatives and the Key Managerial Personnel other than the interested Directors and their relatives are interested in the above resolution.

### Revised terms of Professional charges

Name of the Related Party	Nature of Relationship	Designation	Amount (in Rs.)
Dr. Ali Kumble	Director and HOD of Pediatric department	Chairman	<ul style="list-style-type: none"> <li>● Payment upto 100% of the consultancy fee of Pediatric department as his professional services to the In Patients and Out Patients.</li> <li>● Maximum up to 50% as the professional fee, for performing procedures and investigation depending on the professional and technical expertise involved from Case to Case.</li> <li>● Retainer ship of Rs.1.25 Lakhs per month will continue as approved in the AGM held on 22nd Sept 2016.</li> </ul>

Dr. Yusuf Kumble	Director and HOD of Cardiology	Managing Director	<ul style="list-style-type: none"> <li>● Payment upto 100% of the consultancy fee of cardiology department as his department professional services to the In Patients and Out Patients.</li> <li>● Maximum up to 50% as the professional fee, for performing procedures and investigation depending on the professional and technical expertise involved from Case to Case.</li> <li>● Retainer ship of Rs.1.75 Lakhs per month will continue as approved in the AGM held on 22nd Sept 2016.</li> </ul>
Dr. Misri	Director and HOD of Neurology department	Director	<ul style="list-style-type: none"> <li>● Payment upto 100% of the consultancy fee of Neurology department as his professional services to the In Patients and Out Patients.</li> <li>● Maximum up to 50% as the professional fee, for performing procedures and investigation depending on the professional and technical expertise involved from Case to Case.</li> <li>● Referral fees on investigations or any kind of procedures or Surgery up to Rs.5 Lakh per annum.</li> <li>● Retainer ship of Rs.0.25 Lakhs per month will continue as approved in the AGM held on 22nd Sept 2016.</li> </ul>
Mrs. Nifri Yusuf	Director	Director and member of Core committee	Rs. 1,00,000/- per month with effect from 1st March 2020.

#### **Additional payment on account of Covid in order to secure the Interest of Consultants:**

Dr Ali Kumble, as Head of the Department of Pediatrics with effect from 01.04.2020 to 30.09.2020 on the following terms

- Payment of additional retainer ship up to Rs. 1,32,500/- per month.

Cardiology department was not having any additional full time cardiologist Apart from Dr. Yusuf Kumble from 1st April 2020. Due to that Dr. Yusuf Kumble, as Head of the Department of Cardiology with effect from 01.04.2020 to 30.09.2020 on the following terms

- Payment of additional retainer ship up to Rs.4,00,000/- per month.

Dr Z K Misri, as Head of the Department of Neurology, with effect from 01.04.2020 to 30.09.2020 on the following terms

- Payment of additional retainer ship up to Rs.50,000/- per month

## Item No.9

The Company has been raising funds by issuing securities, from time to time.

In terms of Sections 42 and 62 of the Companies Act, 2013 and rules made thereunder (the “Act”), a company can undertake the issue and allotment of the shares only after obtaining prior approval of the shareholders by way of special resolution in terms of Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014. Accordingly, the Board decided to propose the issue of 5% Redeemable Cumulative Preference Shares for an amount not exceeding Rs. 1,16,50,000/-. Consent of the shareholders is sought for issuing the 5% Redeemable Cumulative Preference Shares as stated in the resolution.

In terms of the rules mentioned above the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

- Objects of the issue  
To finance (wholly or in part) one or more, or any combination, of the following: (a) capital expenditure, for ongoing and new projects and (b) general corporate purposes.
- The total number of shares or other securities to be issued;  
The Board intends to offer, issue and allot 5% Redeemable Cumulative Preference Shares of Rs.100/- each at Rs100/- per share for an amount not exceeding Rs.1,16,50,000/-\*.

\* Being the difference between the Authorized 5% Redeemable Cumulative Preference Shares capital of Rs.3,70,00,000/-, and the Issued, Subscribed and Paid-up 5% Redeemable Cumulative Preference Shares capital of Rs.2,53,50,000/.

- The basis on which the price has been arrived at the face value.
- The class or classes of persons to whom the allotment is proposed to be made;  
The Company intends to allot the shares to promoters, existing shareholders, and other eligible investors.
- The intention of promoters, directors or key managerial personnel to subscribe to the offer;  
Promoters and Directors intend to take part in the proposed issue of 5% Redeemable Cumulative Preference Shares.
- 5% Redeemable Cumulative Preference Shareholding pattern of the Company as on 31.03.2020.

SI No.	Category of shareholders	No of shares	Percentage
<b>A</b>	<b>Promoter Holding – Individual</b>		
1.	Indian	12,000	4.73
2.	Non-Resident Indian	12,000	4.73
	<b>Sub Total – A</b>	<b>24,000</b>	<b>9.46</b>
<b>B</b>	<b>Non-Promoter Holding – Individual</b>		
1.	Indian	34,500	13.61
2.	Non-Resident Indian	1,95,000	76.93
	<b>Sub Total – B</b>	<b>2,29,500</b>	<b>90.54</b>
	<b>TOTAL -</b>	<b>2,53,500</b>	<b>100</b>

- **Approvals**

The Company will take necessary steps to obtain the required approvals from any of the regulatory agency, if any, as may be applicable, for the proposed issue of 5% Redeemable Cumulative Preference Shares.

- **Terms of issue**

The new 5% Redeemable Cumulative Preference Shares issued shall rank pari-passu with the existing 5% Redeemable Cumulative Preference Shares of the Company in all respects.

- **The validity of the resolution**

The proposed resolution, if passed, shall stand valid for 1 year from the date of passing of the resolution.

- **Change in control**

To the extent of the allotments made, shareholding would undergo changes. There shall not be any change in control.

Hence the Directors recommend the resolution for members' approval as a Special Resolution. None of the Directors, Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in this Resolution.

**By Order of the Board,  
For Indiana Hospital and Heart Institute Limited,**

Sd/-  
 Yusuf Aramanayil  
 Managing Director  
 Din: 00354740

Sd/-  
 Ali Kumble  
 Whole-time Director  
 Din: 00353935

Place: Mangalore | Date: 30.09.2020



Information in respect of Director(s) seeking re-appointment as required under the Secretarial Standards on General Meetings issued by ICSI:-

Name of the Director	Dr. Yusuf Aramanayil
Date of Board meeting approving the appointment	13.03.2020
Date of Birth	14.05.1965
Directorships in other Companies	Mangalore Institute of Oncology Private Limited
Details of Remuneration sought to be paid and the remuneration last drawn by such Person	NA
Shareholding in the Company as on 31.03.2020	Equity Shares – 1,47,23,788 Preference Shares – 3,000
Relationship between Directors interest	Relatives
Number of Meetings of the Board attended during the year	5

Name of the Director	Dr. Ali Kumble
Date of Board meeting approving the appointment	13.03.2020
Date of Birth	15.09.1959
Directorships in other Companies	Mangalore Institute of Oncology Private Limited
Details of Remuneration sought to be paid and the remuneration last drawn by such Person	NA
Shareholding in the Company as on 31.03.2020	Equity Shares – 98,13,488 Preference Shares – 6,000
Relationship between Directors interest	Relatives
Number of Meetings of the Board attended during the year	5

## BOARD'S REPORT

To the Members of Indiana Hospital and Heart Institute Limited,

The Directors have pleasure in placing before you the Audited Financial Statements of the Company for the financial year ended 31st March, 2020. As per the provisions of Section 134 of the Companies Act, 2013 (hereinafter called "The Act") read with Companies (Accounts) Rules, 2014 we are presenting the Board's Report as below:

### 1. FINANCIAL SUMMARY:

IN INDIAN RUPEES

PARTICULARS	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Revenue from Operations	48,20,42,111/-	45,10,88,420/-
Other Income	43,22,747/-	95,73,007/-
<b>Total Income</b>	<b>48,63,64,858/-</b>	<b>46,06,61,427/-</b>
Employee benefit expenses	7,69,41,584/-	7,66,02,614/-
Depreciation and Amortization Expense	2,88,57,914/-	2,73,86,349/-
Finance Costs	32,34,366/-	65,57,196/-
Consumables, Doctors salary and other expenses	31,44,16,995/-	28,74,33,625/-
<b>Total Expenses</b>	<b>42,34,50,829/-</b>	<b>39,79,79,784/-</b>
Profit / Loss– Before Tax & Extra Ordinary Items	6,29,14,029/-	6,26,81,643/-
Extra Ordinary Items (Expenses) (Insurance claim on loss by flood)	-	(3,23,834/-)
Current Tax	1,04,38,500/-	1,09,71,800/-
MAT Credit entitlement	(1,04,38,500/-)	(1,09,71,800/-)
Deferred Tax	1,75,99,000/-	1,64,08,000/-
<b>Profit – After Tax &amp; Extra Ordinary Items</b>	<b>4,53,15,029/-</b>	<b>4,59,49,809/-</b>

### 2. STATE OF AFFAIRS OF THE COMPANY – Section 134(i) read with Rule 8(5)(l):

During the year under review, the Company has achieved a total revenue of Rs.48.20 Crores compared to Rs.45.10 Crores in the previous year. The Directors are hopeful of achieving better results in the coming years.

### 3. FUTURE OUT-LOOK:

The company is exploring all the possibilities of expanding its business and your Directors anticipate better performance during the current year.

**4. DIVIDEND - 134(3) (k) OF THE ACT:**

The Directors at their meeting held on 13.03.2020 declared and paid 3% and 5 % interim dividend to the Equity Shareholders and Preference Shareholders respectively absorbing an amount of Rs1,90,67,803/-.

**5. TRANSFER TO RESERVES IN TERMS OF SECTION 134(3) (j)**

In view of the interim dividend declared and paid, the major portion of surplus shall be distributed and no amounts are transferred to the reserves for the period under review.

**6. CHANGE IN THE NATURE OF BUSINESS, IF ANY - RULE 8 (5) (ii) :**

NIL

**7. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATE COMPANIES/JV COMPANIES – RULE 8 (5) (iv):**

The company does not have any such Subsidiary/ Associate Companies/ Joint Venture Companies.

**8. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND: SECTION 125(2) OF THE ACT.**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply for the year under Report as there was no unpaid dividend amount required to be transferred to the Investor Education and Protection Fund Account during the year under report.

**9. MATERIAL CHANGES AND COMMITMENTS - SECTION 134(3)(I):**

There are no material changes and commitments subsequent to the period of financial statements i.e. from 1st April 2020 to the date signing of the Financial Statements and the report.

**10. EXTRACT OF ANNUAL RETURN - SECTION 134 (3) (a) READ WITH SECTION 92(3) OF THE ACT:**

The extract of Annual Return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as Annexure I and is available on the website of the Company at URL: <https://www.indianahospital.in/reports-and-notice/>

**11. DIRECTORS and KEY MANAGERIAL PERSONNEL:**

During the year, Mr. BN Harish was appointed as an Independent Director by the members.

As per the Articles of Association of the Company, the Directors, Mr. Haneefa Aramana, Mr. Basir Kinningar and Mrs. Raziya Ali, shall retire at this Annual General Meeting and being eligible offers themselves for re-appointment.

The consent of the shareholders is also being sought for the re-appointment of Dr. Yusuf Aramanayil as Managing Director of the Company and Dr. Ali Kumble as Whole-time Director of the Company who have been re-appointed by the Board of Directors for a period of five years.

**12. INDEPENDENT DIRECTORS and DECLARATION – SECTION 134 (3) (e) OF THE ACT:**

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of

the Act along with Rules framed. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

### 13. NOMINATION AND REMUNERATION COMMITTEE:

The Company's Nomination and Remuneration Committee comprises of Independent Directors and Non-executive Director. The details are given below:

Name of the Director	Category of the Director
Mr. Prasad Kaushal Bellipady	Independent Director
Mr. B N Harish	Independent Director
Mr. Haneefa Aramana	Non-Executive Director

## Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a. The level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate Directors of the quality required to run the Company successfully.
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals.

During the Financial Year 2019-2020 the Committee held Four meetings as is given below:-

Sl. No.	Date of Meeting	Committee Strength	No. of Members Present
1	28.06.2019	3	3
2	02.08.2019	3	3
3	18.11.2019	3	2
4	13.03.2020	3	2

#### 14. MEETING OF THE BOARD OF DIRECTORS – SECTION 134 (3) (b) OF THE ACT:

During the Financial Year 2019-2020 the Company held Five meetings of the Board of Directors, as per Section 173 of the Companies Act, 2013, as given below:-

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	15.06.2019	12	6
2.	28.06.2019	12	11
3.	02.08.2019	12	11
4.	18.11.2019	12	11
5.	13.03.2020	12	9

#### 14. DIRECTORS' RESPONSIBILITY STATEMENT – 134 (3) (c) OF THE ACT:

In terms of Section 134 (3) (c) of the Companies Act 2013, the Directors confirm the following:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to 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 at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 15. AUDITORS – SECTION 139 (1) OF THE ACT:

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term of 10 years permitted under the provisions of Companies Act, 2013. M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) the Statutory Auditors of the have completed a term of Nine years. Accordingly, pursuant to the provisions of Section 139 of the Act, M/s. Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) are proposed to be re-appointed as auditors for a period of 1 year commencing from the conclusion of this AGM till the conclusion of the AGM of the Company to be held in 2021. M/s. Varma & Varma have consented to their appointment as Statutory Auditors and have confirmed that their appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act. Members are requested to approve the appointment of M/s. Varma & Varma and authorize the Board of Directors to fix their remuneration.



- 16. AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT – SECTION 134 (3) (f) OF THE ACT:**  
The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks. The Statutory Auditors of the Company have not reported any fraud in terms of the second proviso to Section 143(12) of the Act.
- 17. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS – Rule 8 (5) (viii):**  
There is adequate internal control procedure commensurate with the size of the company and the nature of its business. Further, the board has neither come across nor has been informed of any continuing failure to correct the major weakness in the existing internal control system.
- 18. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS - SECTION 134 (3) (g) READ WITH SECTION 186 OF THE ACT:**  
During the year under review, your Company has not, made any loans; given guarantees; provided securities and made investments in pursuance Section 186 of the Companies Act, 2013.
- 19. RELATED PARTY TRANSACTIONS – SECTION 188 (1) OF THE ACT:**  
There are transactions, Contracts or Arrangements with related parties made pursuant to Section 188(1) of the Companies Act, 2013. The transactions between the Company and its related parties are at arm's length basis in terms of the provisions of Sec.188 of the Companies Act, 2013 and had taken place in ordinary course of business. Details of transactions are given in Annexure II.
- 20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE OUTGO – SECTION 134 (3) (m) OF THE ACT:**  
**(A) Conservation of energy: Nil**  
**(B) Technology absorption: Nil**  
**(C) Foreign Exchange Inflow and Outgo:**  
Foreign Exchange Inflow – **Rs. 19,51,063/-**  
Foreign Exchange Outflow – **Rs. 9,77,446/-**
- 21. RISK MANAGEMENT POLICY – SECTION 134 (3) (n) OF THE ACT:**  
As the company in the process of exploring more business activities. As a management policy it is in the process of evolving its own Risk Management Methods as part of the business and credit policy.
- 22. PARTICULARS OF EMPLOYEES:**  
In terms with Rule 5(2) of Companies (Appointment & Remuneration) Rules, 2014, there was no employee who was in receipt of remuneration of Rs.8.5 Lakhs or more per month or Rs.102 Lakhs or more per Annum or in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the Equity Shares of the Company during the period under report.
- 23. DETAILS RELATING TO DEPOSITS – RULE 8 (5) (v) AND (vi):**  
The Company has not accepted any Deposit falling within the purview of Section 73 of the Companies Act, 2013 read with the Rules made there under. Hence, details as required under Rule 8(5) (v) of the Companies (Accounts) Rules, 2014 are not provided.

#### **24. SHARES CAPITAL**

The paid-up Share Capital as on 31st March, 2020 was Rs.51.22 crores. During the year under review, the Company has not issued any shares.

##### **A to C: Buy Back, Sweat Equity/ Bonus**

The Company has not issued any Sweat Equity/Bought back any of its securities during the year under report.

##### **D: Employees Stock Option Plan:**

The Company has not provided any Stock Option Scheme to the employees.

#### **25. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS – Rule 8 (5) (vii):**

Directors hereby confirm that there are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

#### **26. CORPORATE SOCIAL RESPONSIBILITY POLICY–SECTION 134 (3) (o) OF THE ACT AND RULE 9:**

At Indiana, Corporate Social Responsibility (CSR) is an integral part of our Sustainability Model. Being in the health care sector, your Company strongly believes that “what comes from the community should go back many times”. With this aim the Board has constituted a Corporate Social Responsibility Committee comprising Mr. Prasad Bellipady Kaushal, Mr. Haneefa Aramana and Dr. Ali Kumble as Members. The Company has adopted a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Act.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years was 4.51 crores. It was hence required to spend 9.01Lakhs on CSR activities during the Financial Year2019-20, being 2% of the average net profits of the three immediately preceding financial years.

The contents of the CSR policy and CSR Report for the year 2019-20 is attached as Annexure III to this report. Contents of the CSR policy are also available on the Company's website at <https://www.indianahospital.in/reports-and-notice/>

The Company has also spent Rs.19, 50,090/- towards tackling the unprecedented health and humanitarian crisis arising from the COVID-19 pandemic outbreak. This is intended to help in enabling the dedicated medical and service fraternity in the frontline of the battle against the pandemic and in mitigating its wide-ranging human impact, particularly on the most disadvantaged of our society.

#### **27. DISCLOSURE ABOUT COST AUDIT – SECTION 148 OF THE ACT:**

The Company has maintained cost records as prescribed by the Central Government as also in terms of Section 148(1) of the Companies Act, 2013.

#### **28. SECRETARIAL STANDARDS OF THE ICSI:**

The Company is generally complying with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) which have become mandatory for compliance.

**29. SECRETARIAL AUDIT REPORT – SECTION 204 OF THE ACT:**

The Company is required to obtain Secretarial Audit Report as required under Section 204 of the Companies Act, 2013. The report obtained from M/s. JKM Associates, Company Secretaries, Cochin is given as Annexure IV.

**30. COMPOSITION OF AUDIT COMMITTEE – SECTION 177 OF THE ACT:**

During the year, there were regular meetings of the Committee. The composition of Audit Committee as on date of the report is given below:-

Sl. No	Name of Member	Category
1.	Basir Kinningar	Non-Executive Director
2.	B N Harish	Independent, Non-Executive Director
3.	Bellipady Prasad Kaushal	Independent, Non-Executive Director

The Chief Financial Officer of the Company is a permanent invitee of the Committee. The audit committee may, for the comments of the auditors about internal control systems, the scope of audit including the observations of the auditors and review of the financial statement, place their submission to the Board and may also discuss any related issues with the internal and statutory auditors and management of the company.

During the Financial Year 2019-20 the Committee held Four meetings as is given below:-

Sl. No.	Date of Meeting	Committee Strength	No. of Members Present
1	28.06.2019	3	3
2	02.08.2019	3	3
3	18.11.2019	3	2
4	14.03.2020	3	2

**31. ANNUAL EVALUATION – SECTION 134 (3) (p) OF THE ACT.**

The Board conducted evaluation through internal process. There were opportunities for the board members to interact and communicate with the co-members, Chairman and Independent Directors. Also, opportunities were available for committees to interact and communicate with other members of the Company.

**32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

**33. ACKNOWLEDGEMENT:**

Your Directors wish to record their deep sense of appreciation for the co-operation and support extended by Promoters, Banks, Customers, well-wishers, and employees of the Company.

**By Order of the Board,  
For Indiana Hospital and Heart Institute Limited,**

Sd/-

Yusuf Aramanayil  
Managing Director  
Din: 00354740

Sd/-

Ali Kumble  
Whole-time Director  
Din:00353935

Place: Mangalore  
Date: 30<sup>th</sup> Sept 2020

## EXTRACT OF ANNUAL RETURN

**As on financial year ended on 31.03.2020**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

1.	CIN	U85110KA2010PLC052336
2.	Registration Date	01-02-2010
3.	Name of the Company	INDIANA HOSPITAL AND HEART INSTITUTE LIMITED
4.	Category/Sub-category of the Company	Company limited by Shares Non-Government Company
5.	Address of the Registered office & contact details	MAHAVEER CIRCLE, PUMPWELL KANKANADY POST, MANGALORE-575002
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	GNSA Infotech Private Limited,

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	HOSPITAL ACTIVITY	85110	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company		Holding/Subsidiary/ Associate	% Shares held	Applicable Section
1	NIL				



**IV. SHARE HOLDING PATTERN**

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	27,231,276	27,231,276	55.97	30,511,076	-	30,511,076	62.71	(7)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Relative of Promoters	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	-	<b>27,231,276</b>	<b>27,231,276</b>	<b>55.97</b>	<b>30,511,076</b>	-	<b>30,511,076</b>	<b>62.71</b>	<b>(7)</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	10,046,800	10,046,800	20.65	6,771,000	-	6,771,000	13.92	(7)
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	<b>10,046,800</b>	<b>10,046,800</b>	<b>20.65</b>	<b>6,771,000</b>	-	<b>6,771,000</b>	<b>13.92</b>	<b>(7)</b>
<b>TOTAL (A)</b>	-	<b>37,278,076</b>	<b>37,278,076</b>	<b>76.61</b>	<b>37,282,076</b>	-	<b>37,282,076</b>	<b>76.62</b>	<b>(0)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	-	-	-	-	-	-	-	-	-

<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	61,000	61,000	0	8,000	47,000	55,000	0	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	2,754,320	2,754,320	5.66	629,320	2,162,000	2,791,320	5.74	0.08	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	8564000	8564000	17.60	-	8529000	8529000	17.53	0	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	<b>11,379,320</b>	<b>11,379,320</b>	<b>23.39</b>	<b>637,320</b>	<b>10,738,000</b>	<b>11,375,320</b>	<b>23.38</b>	<b>(0)</b>	-	-	-
<b>Total Public (B)</b>	-	<b>11,379,320</b>	<b>11,379,320</b>	<b>23.39</b>	<b>637,320</b>	<b>10,738,000</b>	<b>11,375,320</b>	<b>23.38</b>	<b>(0)</b>	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>48,657,396</b>	<b>48,657,396</b>	<b>100%</b>	<b>37,919,396</b>	<b>10,738,000</b>	<b>48,657,396</b>	<b>100%</b>	<b>0.00%</b>	-	-	-

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Share holding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Dr. Ali Kumble	9,813,488	20.17%	0	9,813,488	20.17%	0	0.00%
2	Dr. Yusuf Aramanayil	14,723,788	30.26%	0	14,723,788	30.26%	0	0.00%
3	Mr. Abdul Hameed	3,275,800	6.73%	0	3,275,800	6.73%	0	0.00%
4	Mr. Haneefa Aramana	1,631,000	3.35%	0	1,631,000	3.35%	0	0.00%
5	Dr. Zulkifli Misri	501,000	1.03%	0	501,000	1.03%	0	0.00%
6	Mrs. Nifri Yusuf	371,000	0.76%	0	371,000	0.76%	0	0.00%
7	Mrs. Bukhari Haleema Raziya Ali	151,000	0.31%	0	155,000	0.32%	0	0.01%
8	Mr. Abdul Latheef	3,731,000	7.67%	0	3,731,000	7.67%	0	0.00%
9	Mr. Basir Kinningar	3,040,000	6.25%	0	3,040,000	6.25%	0	0.00%
10	Dr. Elviz Rodriguez	40,000	0.08%	0	40,000	0.08%	0	0.00%
	<b>TOTAL</b>	<b>37,278,076</b>	<b>76.61%</b>	<b>0</b>	<b>37,282,076</b>	<b>76.62%</b>	<b>0</b>	<b>0.01%</b>

**(iii) Change in Promoters' Shareholding**

SN	Particulars	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total shares	No. of Shares	% of total shares
1	Mrs. Bukhari Haleema Raziya Ali	Share transfer	1,51,000	0.31%	1,55,000	0.32%
2						

**(iv) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	Mr. Ismail Mohammed			10,00,000	2.06%	10,00,000	2.06%
2	Mr. U. Hyder Ali			5,00,000	1.03%	5,00,000	1.03%
3	Mrs. Hazeena Haneefa			5,00,000	1.03%	5,00,000	1.03%
3	Mr. K K Abdulla Haji			3,50,000	0.72%	3,50,000	0.72%
4	Mr. Gangullii Akbar Hussain			3,50,000	0.72%	3,50,000	0.72%
5	Mr. Thekkil Veetil Babu			3,50,000	0.72%	3,50,000	0.72%
6	Ms. Muneera Manzil Baby Abdul Azeez			3,15,000	0.65%	3,15,000	0.65%
7	Dr. Abdul Rasheed			2,80,000	0.58%	2,80,000	0.58%
8	Dr. Sivakantha Sivagnanalingam			2,55,320	0.52%	2,55,320	0.52%
9	Mr. Mottemal Rajan			2,45,000	0.50%	2,45,000	0.50%
10	Mr. Thomas Pulimoottil			2,45,000	0.50%	2,45,000	0.50%

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Shareholding at the end of the year	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	Dr. Ali Kumble			98,13,488	20.17%	98,13,488	20.17%
2	Dr. Yusuf Aramanayil			1,47,23,788	30.26%	1,47,23,788	30.26%
3	Mr. Abdul Hameed			32,75,800	6.73%	32,75,800	6.73%
4	Mr. Haneefa Aramana			16,31,000	3.35%	16,31,000	3.35%
5	Mr. Zulkifli Misri			5,01,000	1.03%	5,01,000	1.03%
6	Mrs. Nifri Yusuf			3,71,000	0.76%	3,71,000	0.76%
7	Mrs. Bukhari Haleema Raziya Ali			1,51,000	0.31%	1,55,000	0.32%
8	Mr. Abdul Latheef			37,31,000	7.67%	37,31,000	7.67%
9	Dr. Elviz Rodriguez			40,000	0.08%	40,000	0.08%
10	Mr. Basir Kinningar			30,40,000	6.25%	30,40,000	6.25%

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,74,87,967.00	-	-	3,74,87,967.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,74,87,967.00</b>	<b>-</b>	<b>-</b>	<b>3,74,87,967.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction				
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Total Amount
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others, please specify	-
	Total (A)	-
	Ceiling as per the Act	-

B. Remuneration to Other Directors				
SN	Particulars of Remuneration	Name of Directors		Total Amount (Rs./Lacs)
		Mrs. Raziya Ali	Mrs. Nifri Yusuf	
1	<b>Independent Directors</b>			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	-	-	-
2	<b>Other Non-Executive Directors</b>			
	GROSS SALARY	6,00,000	6,50,000	12,00,000.00
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify salary	-	-	-
	<b>Total (2)</b>	<b>6,00,000.00</b>	<b>6,50,000.00</b>	<b>12,00,000.00</b>
	<b>Total (B) = (1 +2)</b>	<b>6,00,000.00</b>	<b>6,50,000.00</b>	<b>12,00,000.00</b>
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD				
SN	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs./Lacs)
		Mr. Chaithanya V	CS	
1	<b>Gross salary</b>	CEO	CEO	
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961		14,20,008.00	14,20,008.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	<b>Total</b>	-	<b>14,20,008.00</b>	<b>14,20,008.00</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA**

(Amt. Rs./Laos)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding			NIL		
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

**For Indiana Hospital and Heart Institute Limited,**

Sd/-  
**Yusuf Aramanayil**  
Managing Director  
Din: 00354740

Sd/-  
**Ali Kumble**  
Whole-time Director  
Din:00353935



## FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: Nil
2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements / transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions'
1.	Dr. Ali Kumble	Sale of Medicines	Continuing	Sale of medicine from pharmacy by raising cash bill – Rs.17,376/-	Depending upon the requirement the medicines were taken at same rate as sold to the general public.
2.	Dr. Yusuf Kumble	Sale of Medicines	Continuing	Sale of medicine from pharmacy by raising cash bill – Rs.1,969/-	Depending upon the requirement the medicines were taken at same rate as sold to the general public.
3.	Mrs. Nifri Yusuf	Sale of Medicines	Continuing	Sale of medicine from pharmacy by raising cash bill – Rs.6,436/-	Depending upon the requirement the medicines were taken at same rate as sold to the general public.
4.	Mrs. Beefathima	Hospital Services rendered	Case to Case	Availing services from hospital – 197,358/-	Availing the best services.
5.	Mrs. Raziya Ali	Employment	Continuing	Salary Rs.6,00,000/-	Best if department is managed by Director.
6.	Mrs. Nifri Yusuf	Employment	Continuing	Salary Rs.6,50,000/-	Best if department is managed by Director.

7.	Dr. Elvis Rodrigues	Working as medical practitioner	Continuing	Professional services as Doctor Rs.28,31,817/-	Availing the best service.
8.	Dr. Ali Kumble	Working as medical practitioner	Continuing	Professional services as Doctor Rs.69,02,067/-	Availing the best service.
9.	Dr. Yusuf Kumble	Working as medical practitioner	Continuing	Professional services as Doctor Rs.1,86,59,260/-	Availing the best service.
10.	Dr. Zulkifli Misri	Working as medical practitioner	Continuing	Professional services as Doctor Rs.42,77,968/-	Availing the best service.
11.	Dr. Elvis Rodrigues	Sale of Medicines	Continuing	Sale of medicine from pharmacy by raising cash bill – Rs.5,981/-	Depending upon the requirement the medicines were taken at same rate as sold to the general public.
12.	Mr. Chaitanya V	Working in Professional Capacity	Continuing	Professional services as KMP Rs.14,20,008/-	Availing the best service.
13.	Mangalore Institute of Oncology	Hospital Services rendered	Case to Case	1. Services Rendered - 6,45,225/- 2. Services acquired- 99,544/-	1. Availing the best services 2. Availing the best services
14.	Mrs. Aysha Ibrahim	Hospital Services rendered	Case to Case	Availing services from hospital – 1,15,873/-	Availing the best services
15.	Mrs. Ashoora Abdul Hameed	Hospital Services rendered	Case to Case	Availing services from hospital – 37,570/-	Availing the best services.

## Form No: MR3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To

The Members

#### **INDIANA HOSPITAL AND HEART INSTITUTE LIMITED**

CIN: U85110KA2010PLC052336

Mahaveer Circle, Pumpwell, Kankanady Post,

Mangalore – 575002

Karnataka

We, JKM ASSOCIATES, Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDIANA HOSPITAL AND HEART INSTITUTE LIMITED, CIN: U85110KA2010PLC052336** (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records produced to us and according to the information and explanations given to us by **INDIANA HOSPITAL AND HEART INSTITUTE LIMITED**, the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020 complied with the provisions of the Companies Act, 2013 (Act) and the Rules made thereunder, the Memorandum and Articles of Association of the Company and also applicable provisions of the aforesaid laws, standards, guidelines, agreements, etc.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **INDIANA HOSPITAL AND HEART INSTITUTE LIMITED** (“the Company”) for the financial year ended on 31.03.2020 according to the provisions of the Companies Act, 2013 and the Rules made thereunder.

#### **We report that during the year under review:**

1. The Board of Directors is constituted with Twelve Directors in total comprising of Managing Director, Whole-time Director, Executive, and Non-Executive Directors including Independent Directors.

The company appointed a Whole Time Company Secretary on 15.06.2019 as required under the Companies Act, 2013.

2. The changes in the composition of the Board of Directors that took place during the period under review were carried out according to the provisions of the Companies Act, 2013.
3. Notices of Board/Committee meetings were given to all the Directors detailing agenda items along with notes to agenda. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. It is seen that all decisions take/resolutions passed at the Board Meetings were with the unanimous approval of the members of the Board.
4. Mr. B N Harish (Din: 01295494) was appointed as an Independent Director during the period under review. The Directors have made the disclosure requirements in respect of their eligibility of appointment, their being independent and in compliance with the provisions relating to Directors and Management Personnel.
5. The Directors have submitted the disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other companies and interests in other entities and was taken on record by the Board in a duly convened Board Meeting.
6. The Company has not given guarantee to other business entities in respect of the provisions of the Companies Act, 2013 and any other statutes as may be applicable.
7. The Company has not defaulted in the repayment of unsecured loans, facilities granted by the bank(s) / financial institution(s). The Company has neither issued Debentures nor collected Public Deposits.
8. The Company has created, modified or satisfied charges on the assets of the company with the Registrar of Companies and complied with the provisions of the Act.
9. As per verifications carries out by us, the registrations required under the various State and local laws as applicable to the company are valid as on the date of the report.
10. The Company has not issued or allotted Shares/ Securities during the period under review.
11. The Company has dematerialized the entire holding of securities of its promoters, Directors, Key Managerial Personnel in compliance with the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018.
12. All the transfers/transmissions of shares were approved in the duly convened Board Meetings after obtaining the required documents and the Company has complied with the relevant provisions of the Act.
13. The Company has declared and paid dividend for the years 2013-14 to 2017-18, which were in arrears, to the preference shareholders and declared final dividend for the year 2018-19 and interim dividend in March 2020 to both preference shareholders and equity shareholders during the period under scrutiny and complied with the provisions of the Act.
14. The Company has provided a list of statutes in addition to the Companies Act, 2013 and it has been observed that there are proper systems in place to ensure compliance of all laws applicable to the company.

15. The Company has paid all its statutory dues and provisions in the financial statements have been made wherever required.

**We further report that:**

i. The Company has followed the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**We further report that:**

As per the information and documents provided to us and the explanation given, the company has complied with the following Acts given below.

1. THE KARNATAKA PRIVATE MEDICAL ESTABLISHMENT AUTHORITY ACT 2007 & RULES 2009
2. THE CLINICAL ESTABLISHMENTS (REGISTRATION AND REGULATION) ACT, 2010
3. THE INDIAN MEDICAL COUNCIL ACT, 1956
4. INDIAN NURSING COUNCIL ACT 1947
5. DRUGS AND COSMETICS ACT 1940 & RULES 1945
6. THE DRUGS (CONTROL) ACT, 1950
7. THE PHARMACY ACT, 1948
8. NARCOTICS AND PSYCHOTROPIC SUBSTANCES ACT 1985 & NARCOTICS AND PSYCHOTROPIC SUBSTANCES (KARNATAKA) RULES 1985
9. THE DRUGS AND MAGIC REMEDIES (OBJECTIONABLE ADVERTISEMENTS) ACT, 1954
10. THE BIRTHS, DEATHS AND MARRIAGES REGISTRATION ACT, 1886
11. THE MENTAL HEALTH ACT, 1987
11. THE EPIDEMIC DISEASES ACT, 1897
12. THE MEDICAL TERMINATION OF PREGNANCY ACT 1979 AND RULES
13. THE TRANSPLANTATION OF HUMARN ORGANS AND TISSUES ACT 1994
14. THE PRE-NATAL DIAGNOSTIC TECHNIQUES (PNDT) ACT 1994 & RULES
15. BIO-MEDICAL WASTE (MANAGEMENT AND HANDLING) RULES, 1998. (2016)
16. FOOD SAFETY AND STANDARDS ACT 2006 & REGULATIONS 2010
17. ATOMIC ENERGY ACT, 1962 & ATOMIC ENERGY (RADIATION PROTECTION) RULES, 2004
18. THE BUILDING AND OTHER CONSTRUCTION WORKS (RE & CE) ACT, 1996
19. THE MINIMUM WAGES ACT, 1948
20. THE PAYMENT OF GRATUITY ACT, 1972

21. THE CHILD LABOUR (PROHIBITION & REGULATION) ACT AND RULES, 1986
22. THE PAYMENT OF BONUS ACT, AND RULES, 1976
23. THE PAYMENT OF WAGES ACT, 1936
24. THE MATERNITY BENEFIT ACT, 1961
25. THE LABOUR LAW (EXEMPTION FROM FURNISHING RETURNS & MAINTAINING REGISTERS BY CERTAIN ESTABLISHMENTS) ACT, 1988
26. INFORMATION TECHNOLOGY ACT, 2000
27. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013
28. THE WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974
29. THE WATER (PREVENTION AND CONTROL OF POLLUTION) CESS ACT, 1977
30. THE AIR (PREVENTION AND CONTROL OF POLLUTION) ACT, 1981
31. THE ELECTRICITY ACT 2003

However, the company has reasonably followed the provisions of the below mentioned applicable acts as far as the compliance is concerned: -

1. EMPLOYEES' STATE INSURANCE ACT, 1948
2. EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952

**We further report that:**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure A, which forms an integral part of this report.

For JKM Associates  
Sd/-  
**CS PK Krishnamurthy**  
(Partner)  
ACS/FCS No.: 3721, C P No.: 3671

Place: Cochin  
Date: 25.09.2020

## 'Annexure A'

To,  
The Members

**INDIANA HOSPITAL AND HEART INSTITUTE LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on a test basis to ensure that correct fact are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of the procedure on a test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **JKM Associates**

Sd/-

**CS PK Krishnamurthy**

(Partner)

ACS/FCS No.: 3721, C P No.: 3671

Place: Cochin

Date: 25.09.2020



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken.	<p>Corporate Social Responsibility is a management concept, whereby Company strive to integrate social and environmental concerns in our business operations.</p> <p>The policy provides for undertaking any activity prescribed under Schedule VII to the Companies Act, 2013 to attain the goal of sustainable and overall development of the society wherein the Company is carrying out its business operations.</p> <p>Such projects/activities will be undertaken either by direct involvement of the Company or through any recognized trust or body.</p>
2.	The Composition of CSR Committee.	<p>Dr. Ali Kumble – Chairman</p> <p>Mr. Prasad Kaushal Bellipady – Member</p> <p>Mr. Haneefa Aramana – Member</p>
3.	Average net profit of the Company for last three financial years.	4,50,99,533
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	9,01,991
5.	<p>Details of CSR spent during the financial year;</p> <p>a) Total amount to be spent including last year's balance:</p> <p>b) Retained Amount spent during the financial year:</p> <p>c) Amount unspent, if any:</p> <p>d) Manner in which the amount spent during the financial year.</p>	<p>75,000</p> <p>0</p> <p>8,26,991/-</p>
6.	Reasons for not spending the amount.	The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. During the

		<p>financial year 2019-20, your Company endeavored to meet the budgeted expenditure by contributing in various eligible CSR activities and has committed to incur expenditure for CSR initiatives in the coming years through structured events or programs and projects. This being the first year, your Company has taken steps in the right direction and going forward is committed to actively engage with the partners/NGOs to execute the said events or projects and programs and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.</p>
7.	<p>A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.</p>	<p>The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.</p>

## **INDEPENDENT AUDITORS' REPORT**

To The Members of Indiana Hospital and Heart Institute Limited  
Mangalore

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Indiana Hospital and Heart Institute Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw attention to Note No 2.36 to the financial statements which describes the impact of the COVID-19 pandemic on the operations and financial position of the company and the continuing uncertainties.

Our opinion is not modified in respect of this matter.

#### **Information Other than the Financials Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors Report including Annexures to Board's

Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

- evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - v. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its current financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Varma and Varma  
(FRN: 004532S)

Sd/-  
CA Vivek Krishna Govind  
Chartered Accountant  
(M.No. 208259)

UDIN: 20208259AAAADM7511

Place: Kochi  
Date: 28.09.2020

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the financial statements of Indiana Hospital and Heart Institute Limited for the year ended 31st March, 2020

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets which however requires to be updated;
- (b) We have been informed that the fixed assets of the company have been physically verified by the management during the year, which in our opinion, is reasonable having regards to the size of the Company and nature of its assets and that no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us, the records of the company examined by us and based on the details of land and buildings furnished to us by the company, the title deeds of immovable properties are held in the name of the Company except for freehold immovable property comprising of land admeasuring 149.8 cents (Gross and Net value Rs.12, 74,08,617) as stated in Note No 2.10 to the financial statements.
2. According to the information and explanation given to us and as per our verification of the records of the company the Management has conducted physical verification of inventory at reasonable intervals and material discrepancies, if any have been properly dealt with in the books of account.
3. As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the reporting requirements under clauses (iii) (a) to (c) of paragraph 3 of the Order are not applicable.
4. According to the information and explanations given to us and the records of the company examined by us, the company has not granted any loans or given any security or guarantee for which the provisions of sections 185 and 186 of the Act are applicable. Company has not made any investment for which section 186 of the Act are applicable.
5. The company has not accepted deposits in accordance with directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7. (a) According to the information and explanation given to us and as per our verification of the records of the company, except for certain instances of delays in depositing provident fund, income tax, goods and service tax and employees state insurance, the Company has been generally regular in depositing undisputed statutory dues including cess and any other statutory dues with the appropriate authorities.

There are no arrears of undisputed statutory dues outstanding at the last day of the financial year for a period of more than six months from the date on which they become payable except the following:



Name of the Statute	Nature of dues	Amount pending (Rs.)	Period to which the total amount relates	Amount remitted subsequent to 31-03-2020
Goods and Service Tax Act, 2017	GST & Interest	3,99,360	2018-19	-
	GST	37,274	2019-20	-
		3,841	2019-20	-
Income Tax Act, 1961	Tax Deducted at Source	1,375	2018-19	-
		4,196	2019-20	-

(b) According to the information and explanation given to us, and the records of the Company examined by us, there are no disputed dues of income tax, sales tax, service tax, duty of customs, duty of exercise, value added tax, goods and service tax and cess which have not been deposited with the appropriate authorities.

8. According to information and explanation given to us and as per our verification of the records of the company, the company has not defaulted in repayment of its dues to bank/financial institution/government during the year.
9. According to the information and explanations given to us and the records of the Company examined by us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and the term loans availed by the company have been applied for the purpose for which the loans were obtained.
10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the management.
11. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Note 2.32 to the financial statements as required by accounting standard-18.
14. According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. According to the information and explanations given to us and the records of the Company examined by us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

For Varma and Varma  
(FRN: 004532S)

Sd/-  
CA Vivek Krishna Govind  
Chartered Accountant  
(M. No. 208259)  
UDIN: 20208259AAAADM7511

Place: Kochi  
Date: 28.09.2020

**“ANNEXURE B” REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING  
“REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR  
INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL  
STATEMENTS OF INDIANA HOSPITAL AND HEART INSTITUTE LIMITED FOR  
THE YEAR ENDED 31ST MARCH 2020**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Indiana Hospital and Heart Institute Limited (“the Company”) as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial

controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Varma and Varma**  
(FRN: 004532S)  
Sd/-

**CA Vivek Krishna Govind**  
Chartered Accountant (M. No. 208259)  
UDIN: 20208259AAAADM7511

Place: Kochi  
Date: 05-08-2019

## INDIANA HOSPITAL AND HEART INSTITUTE LTD

Mahaveer Circle, Pumpwell, Mangalore - 575001

### BALANCE SHEET AS AT 31ST MARCH 2020

CIN: U85110KA2010PLC052336

	Particulars		As at 31st March 2020 (Amount in Rs.)	As at 31st March 2019 (Amount in Rs.)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1 Shareholders' funds</b>			
	(a) Share capital	2.1	51,22,23,960	51,22,23,960
	(b) Reserves and surplus	2.2	2,96,57,135	3,02,77,424
			54,18,81,095	54,25,01,384
	<b>2 Non-current liabilities</b>			
	(a) Long Term Borrowings	2.3	1,47,11,459	2,26,86,186
	(b) Deferred Tax Liabilities (net)	2.4	3,83,37,000	2,07,38,000
	(c) Long term provisions	2.5	29,87,390	27,63,543
			5,60,35,849	4,61,87,729
	<b>3 Current liabilities</b>			
	(a) Short - term borrowings	2.6	24,972	4,04,448
	(b) Trade payables			
	(i) Total outstanding due of micro enterprises and small enterprises	2.7	15,53,820	17,99,996
	(ii) Total outstanding due to creditors other than micro enterprises and small enterprises	2.7	5,22,94,687	4,14,72,665
	(c) Other current liabilities	2.8	1,23,13,708	1,98,67,263
	(d) Short-term provisions	2.9	2,53,574	12,63,710
			6,64,40,761	6,48,08,082
	<b>Total</b>		<b>66,43,57,705</b>	<b>65,34,97,195</b>
<b>B</b>	<b>ASSETS</b>			
	<b>1 Non-current assets</b>			
	(a) Property, Plant and Equipment			
	(i) Tangible assets	2.10	52,23,21,159	54,43,63,281
	(ii) Intangible assets	2.10	8,26,044	14,19,636
			52,31,47,203	54,57,82,917
	(b) Non Current Investments	2.11	10,000	10,000
	(c) Long Term Loans and Advances	2.12	3,49,79,286	1,80,97,191
	(d) Other non current assets	2.13	5,236	5,236
			3,49,94,522	1,81,12,427
	<b>2 Current assets</b>			
	(a) Inventories	2.14	1,81,89,655	1,98,31,462
	(b) Trade receivables	2.15	1,26,29,587	1,20,97,378
	(c) Cash and cash equivalents	2.16	6,36,94,532	4,46,98,004
	(d) Short-term loans and advances	2.17	89,11,593	67,72,547
	(e) Other current assets	2.18	27,90,613	62,02,460
			10,62,15,980	8,96,01,851
	<b>Total</b>		<b>66,43,57,705</b>	<b>65,34,97,195</b>
Significant Accounting policies and Notes to accounts 1&2 The accompanying notes form an integral part of the financial statement.				

**As per our report of even date attached**

For VARMA AND VARMA  
(FRN: 004532S)

**Sd/-**

(C.A.Vivek Krishna Govind)  
Chartered Accountant  
M.No.208259

**Sd/-**

CA.Chaitanya V  
Chief Financial Officer  
& Company Secretary

**For and on behalf of the Board of Directors**

**Sd/-**

Dr. Yusuf A Kumble  
Managing Director  
DIN: 00354740

**Sd/-**

Dr. Ali Kumble  
Whole Time Director  
DIN: 00353935

Place : Kochi  
Date : 28.09.2020

Place : Mangalore  
Date : 25.09.2020

## INDIANA HOSPITAL AND HEART INSTITUTE LTD

Mahaveer Circle, Pumpwell, Mangalore - 575001

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AS AT 31ST MARCH 2020

CIN: U85110KA2010PLC052336

(Amount in Rs.)

	Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Revenue from operations	2.19	48,20,42,111	45,10,88,420
2	Other income	2.20	43,22,747	95,73,007
3	<b>Total revenue (1+2)</b>		<b>48,63,64,858</b>	<b>46,06,61,427</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	2.21	5,45,34,934	4,98,97,865
	(b) Purchase of Medicines	2.22	5,72,55,434	5,95,09,056
	(c) Changes in inventories of Medicines	2.23	56,21,431	(12,48,976)
	(d) Employee benefits expense	2.24	7,69,41,584	7,66,02,614
	(e) Finance costs	2.25	32,34,366	65,57,196
	(f) Depreciation and amortisation expense	2.10	2,88,57,914	2,73,86,349
	(g) Other expenses	2.26	19,70,05,166	17,92,75,680
	<b>Total expenses</b>		<b>42,34,50,829</b>	<b>39,79,79,784</b>
5	<b>Profit/(Loss) before extraordinary items and tax (3-4)</b>		<b>6,29,14,029</b>	<b>6,26,81,643</b>
6	Extraordinary items- Loss by Flood (net)	2.27	-	(3,23,834)
7	<b>Profit/(Loss) before tax (5-6)</b>		<b>6,29,14,029</b>	<b>6,23,57,809</b>
8	<b>Tax expense:</b>			
	Current Tax		1,04,38,500	1,09,71,800
	MAT Credit entitlement		(1,04,38,500)	(1,09,71,800)
	Deferred Tax		1,75,99,000	1,64,08,000
	Tax expense for the preceding year		-	-
9	<b>Profit / (Loss) for the year (7-8)</b>		<b>4,53,15,029</b>	<b>4,59,49,809</b>
10	<b>Earnings per equity share:</b>			
	Nominal value of share Rs. 10/- (Rs. 10/-)			
	Before Extraordinary Item	2.28		
	(a) Basic		0.900	0.918
	(b) Diluted		0.899	0.918
	After Extraordinary Item	2.28		
	(a) Basic		0.900	0.913
	(b) Diluted		0.899	0.913
	Significant Accounting policies and Notes to accounts	1&2		
	The accompanying notes form integral part of the financial statements.			

As per our report of even date attached

For VARMA AND VARMA  
(FRN: 004532S)

**Sd/-**

(C.A.Vivek Krishna Govind)  
Chartered Accountant  
M.No.208259

**Sd/-**

CA.Chaitanya V  
Chief Financial Officer  
& Company Secretary

For and on behalf of the Board of Directors

**Sd/-**

Dr. Yusuf A Kumble  
Managing Director  
DIN: 00354740

**Sd/-**

Dr. Ali Kumble  
Whole Time Director  
DIN: 00353935

Place : Kochi  
Date : 28.09.2020

Place : Mangalore  
Date : 25.09.2020

## INDIANA HOSPITAL AND HEART INSTITUTE LTD

Mahaveer Circle, Pumpwell, Mangalore - 575001

### CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT 31ST MARCH 2020

CIN: U85110KA2010PLC052336

(Amount in Rs.)

	Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
A	<b>Cash Flow from Operating activities</b>				
	Net Profit/(Loss) for the year after tax		4,53,15,029		4,59,49,809
	Adjustments for:				
	(+) Provision for taxation	1,75,99,000		1,64,08,000	
	(+) Extraordinary item- Loss on flood	-		3,23,834	
	(-) Loss of stock by flood	-		(2,80,690)	
	(+) Depreciation & Amortisation Expense	2,88,57,914		2,73,86,349	
	(+) Unrealised Loss on Foreign Exchange loss	-		1,61,400	
	(-) Net reversal of Provision for bad and doubtful debts	(9,39,192)		-	
	(+) Bad debts and advances written off	22,50,980		-	
	(+) Provision for Gratuity	1,78,037		4,93,705	
	(+) Interest expenditure considered separately	29,52,953		57,67,400	
	(-) Liability & provisions no longer required to be written back	(3,81,902)		(55,24,150)	
	(+) Loss on sale of asset	3,18,560		2,37,882	
	(+) Asset discarded written off	17,85,399	5,26,21,749	21,72,532	4,71,46,262
	<b>Operating Profit / (Loss) before Working Capital Changes</b>		9,79,36,778		9,30,96,071
	<b>Adjustments for working capital changes:</b>				
	(Increase)/Decrease in Trade & Other Receivables	(29,34,449)		(28,32,311)	
	(Increase)/Decrease in Inventories	16,41,807		(16,21,951)	
	Increase/(Decrease) in Trade Payables and other Current Liabilities	99,60,303	86,67,661	40,16,160	(4,38,102)
	<b>Cash Flow from Operations</b>		<b>10,66,04,439</b>		<b>9,26,57,969</b>
	Direct Taxes paid		(1,75,36,896)		(50,40,820)
	<b>Cash flow before extraordinary items</b>		<b>8,90,67,543</b>		<b>8,76,17,149</b>
	Add: Insurance claim on equipment damaged on flood		17,64,188		(18,07,332)
	<b>Cash generated from Operations</b>		<b>9,08,31,731</b>		<b>8,58,09,817</b>
B	<b>Cash Flows from Investing Activities</b>				
	Purchase of Fixed assets	(77,98,727)		(2,25,69,845)	
	Sale of Fixed asset	21,186		4,13,133	
	<b>Net Cash used in Investing Activities</b>		<b>(77,77,541)</b>		<b>(2,21,56,712)</b>
C	<b>Cash Flows from Financing Activities</b>				
	Proceeds from issuance of Equity share	-		21,00,000	
	Dividend (incl DDT) paid	(4,60,04,015)		(29,67,965)	
	Proceeds from/(Repayment) of Long Term Borrowings	(1,50,88,690)		(4,89,30,444)	
	Interest Paid	(29,64,957)		(58,47,026)	
	<b>Net Cash used in Financing Activities</b>		<b>(6,40,57,662)</b>		<b>(5,56,45,435)</b>
	<b>Summary</b>				
	Net Cash from/(used) Operating Activities	9,08,31,731		8,63,16,489	
	Net Cash from/(used) in Investing Activities	(77,77,541)		(2,21,56,712)	
	Net Cash from/(used) in Financing Activities	(6,40,57,662)		(5,61,52,107)	
	<b>Net Increase (Decrease) in Cash Equivalents</b>	<b>1,89,96,528</b>		<b>80,07,670</b>	
	Cash and Cash Equivalents at beginning of the year	4,46,98,004		3,66,90,334	
	Cash and Cash Equivalents at the end of the year	6,36,94,532		4,46,98,004	
		<b>1,89,96,528</b>		<b>80,07,670</b>	

(i) Cash and cash equivalents at the end of the year includes Rs.26,47,311/- (Rs. 1,37,63,040/-) held as margin money deposits towards bank loans/guarantees.

(ii) Cash and cash equivalents at the end of the year includes Rs.90,49,220/- (Rs.23,85,392/-) with maturity period of more than 12 months.

As per our report of even date attached

For and on behalf of the Board of Directors

For VARMA AND VARMA

(FRN: 004532S)

Sd/-

(C.A.Vivek Krishna Govind)

Chartered Accountant

M.No.208259

Sd/-

CA.Chaitanya V

Chief Financial Officer

& Company Secretary

Sd/-

Dr. Yusuf A Kumble

Managing Director

DIN: 00354740

Sd/-

Dr. Ali Kumble

Whole Time Director

DIN: 00353935

Place : Kochi

Date : 28.09.2020

Place : Mangalore

Date : 25.09.2020



## Significant Accounting Policies

### 1.1 Basis of accounting

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 1.2 Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which they are known/materialised.

### 1.3 Revenue Recognition

- a) Income from Healthcare services is recognized on completed service contract method. The hospital collections of the company are net of discounts. Revenue also includes the value of services rendered pending final billing in respect of in -patients undergoing treatments as on 31st March 2020.
- b) Pharmacy sales are recognized when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and exclusive of GST.
- c) Rental income is recognized on a straight line basis over the term of the lease. Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate of interest. Insurance claim is recognised when claim is received or admitted by insurer."

### 1.4 Property, Plant and Equipment

"Property, Plant and Equipments are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost includes purchase price, (inclusive of import duties and non-refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-in-progress."

## 1.5 Intangible Assets

Hospital Management System Software and other softwares designed for the company are treated as an Intangible Asset in accordance with the Accounting Standard 26- "Intangible Assets".

## 1.6 Depreciation / Amortization

"Depreciation on Property, Plant and Equipment is provided on straight line method based on the useful life prescribed in Schedule II to the Companies Act, 2013, based on a review by the management at the year end. Intangible assets are written off over a period of 3 years."

## 1.7 Impairment of Assets

"The company assesses at each Balance Sheet date whether there is any indication that the asset may be impaired. An asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. Based on such assessment, impairment loss if any is recognized in the Statement of Profit and Loss of the period in which the asset is identified as impaired. The impairment loss recognized in the prior accounting year is reversed if there is a change in the estimate of recoverable amount."

## 1.8 Investments

Non Current investments are stated at cost. Decline in value, if any, which is not considered temporary in nature, is provided for.

## 1.9 Inventories

Inventories are valued at lower of cost, determined on first in first out basis or net realisable value.

## 1.10 Foreign Currency transactions

Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevailing on the last date of the accounting year and the resultant exchange difference, if any, are recognised in the Statement of Profit and Loss . Exchange differences arising on actual payments/ realizations are recognized in the statement of Profit and Loss.

## 1.11 Employee Benefits

### i) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

## ii) Defined Contribution Plans

The company makes contributions to Provident Fund, which is a defined contribution plan for employees. The contributions paid/payable under the scheme during the year are charged to the Statement of Profit and Loss for the year.

## iii) Defined Benefit Plans

The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any, is recognised in the books of account. Actuarial gains and losses are recognised in full in the Profit & Loss account for the period in which they occur.

## 1.12 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. Other borrowing costs are recognized as expenditure for the period in which they are incurred.

## 1.13 Taxes on Income

"Income tax is accounted in accordance with Accounting Standard on Accounting for Taxes on Income (AS-22), which includes current taxes and deferred taxes. Provision for current tax is made based on the tax payable under the Income Tax Act, 1961. Deferred tax on account of timing difference between taxable and accounting income is accounted using the tax rates and the tax laws enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation or carried forward losses are recognised if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised to the extent there is reasonable certainty of their realisation. Deferred tax in respect of timing differences, which originate and reverse during a tax holiday period, are not recognised to the extent the gross total income is subject to the deduction during the tax holiday period."

## 1.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the correct management estimates. Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation. Contingent assets are neither recognised nor disclosed in the accounts.

## 1.15 Segment Reporting

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the company has only one reportable segment i.e. Hospital Activities".

## 1.16 Earnings per Share

The earnings considered in ascertaining the company's Earnings per Share comprise of the net profit after tax. The number of shares used in computing the basic earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing Diluted Earnings per share comprises the weighted average shares considered for deriving the basic earning per share and also the weighted average number of shares, of any shares, which would have been issued on the conversion of all dilutive potential equity shares.

## 2.0 NOTES TO ACCOUNTS

### 2.1 Share Capital

PARTICULARS	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
	(Amount in Rs.)	(Amount in Rs.)
Authorised:		
5,58,00,000 (5,58,00,000) Equity Shares of Rs 10/- each	55,80,00,000	55,80,00,000
420,000 (4,20,000 ) Preference Shares of Rs 100/- each	4,20,00,000	4,20,00,000
	<b>60,00,00,000</b>	<b>60,00,00,000</b>
<b>Issued, Subscribed &amp; Fully Paid -up</b>		
4,86,57,396 (4,86,57,396) Equity Shares of Rs 10/- each fully paid up (Out of the above 16,02,000/- ( 16,02,000 ) shares have been issued for consideration other than cash)	48,65,73,960	48,65,73,960
2,53,500 (2,53,500) 5% Redeemable Cumulative Preference Shares of Rs 100/- each	2,53,50,000	2,53,50,000
3,000 (3,000) Convertible Preference Shares of Rs 100/- each	3,00,000	3,00,000
	<b>51,22,23,960</b>	<b>51,22,23,960</b>

#### 2.1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	No.s	(Amount in Rs.)	No.s	(Amount in Rs.)
At the beginning of the period	4,86,57,396	48,65,73,960	4,84,82,396	48,48,23,960
Add: Issued during the period	-	-	1,75,000	17,50,000
<b>Outstanding at the end of the period</b>	<b>4,86,57,396</b>	<b>48,65,73,960</b>	<b>4,86,57,396</b>	<b>48,65,73,960</b>

5% Cumulative Redeemable Preference shares	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	No.s	(Amount in Rs.)	No.s	(Amount in Rs.)
At the beginning of the period	2,53,500	2,53,50,000	2,53,500	2,53,50,000
Add: Issued during the period	-	-	-	-
Less: Redeemed during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>2,53,500</b>	<b>2,53,50,000</b>	<b>2,53,500</b>	<b>2,53,50,000</b>

Convertible Preference shares	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	No.s	(Amount in Rs.)	No.s	(Amount in Rs.)
At the beginning of the period	3,000	3,00,000	3,000	3,00,000
Add: Issued during the period	-	-	-	-
Less: Converted during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>3,000</b>	<b>3,00,000</b>	<b>3,000</b>	<b>3,00,000</b>

## Rights, preferences and restrictions attaching to each class of shares

### Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

### Terms/rights attached to preference shares

Convertible Preference shares are convertible within 10 years from the date of issue (issued in February 2011) at such times as may be decided by the Board.

5% Redeemable Cumulative Preference shares are redeemable within a period of 10 years from the date of issue at the discretion of the Board.

(in No's)

Particulars	Issue Date			Total
	Dec-2010	Jan-2011	Feb-2013	
5% Redeemable Cumulative Preference shares	2,39,700	6,000	7,800	2,53,500

### 2.1.3 Details of shareholders holding more than 5% shares in the company as at the end of the year

Equity shares of Rs 10/- each fully paid up	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Yusuf A.Kumble	1,47,23,788	30.26%	1,47,23,788	30.26%
Ali Kumble	98,13,488	20.17%	98,13,488	20.17%
Abdul Latheef	37,31,000	7.67%	37,31,000	7.67%
K.N. Abdul Hameed	32,75,800	6.73%	32,75,800	6.73%
Bashir Kinnigar Ibrahim	30,40,000	6.25%	30,40,000	6.25%

5% Redeemable Cumulative Preference shares of Rs 100/- each Fully Paid Up	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	No.	% holding in the class	No.	% holding in the class
Gangulli Akbar Hussain	15,000	5.92%	15,000	5.92%
K K Abdulla Haji	15,000	5.92%	15,000	5.92%
Thekkil Veetil Babu	15,000	5.92%	15,000	5.92%
Muneera Manzil Baby Abdul Azeez	13,500	5.33%	13,500	5.33%

Convertible Preference shares of Rs 100/- each Fully Paid Up	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
	No.	% holding in the class	No.	% holding in the class
K K Moidu	1,500	50.00%	1,500	50.00%
Bekal Abdulla	1,500	50.00%	1,500	50.00%

## 2.2 Reserves and Surplus

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
<b>Securities Premium</b>		
Opening Balance	6,36,000	2,86,000
Addition during the year	-	3,50,000
	6,36,000	6,36,000
<b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	2,96,41,424	(1,28,33,748)
Add: Profit for the period as per Statement of Profit and Loss after tax	4,53,15,029	4,59,49,809
Less: Dividend for the year 2018-19 (including tax Theron)		
Dividend on Equity shares	(1,75,90,785)	-
Dividend on Preference shares	(92,76,730)	-
Less: Interim Dividend (including tax Theron)		
Dividend on Equity shares (see note 2.2.1)	(1,75,97,720)	-
Dividend on Preference shares (see note 2.2.2)	(14,70,083)	(34,74,637)
	2,90,21,135	2,96,41,424
<b>Closing balance</b>	<b>2,96,57,135</b>	<b>3,02,77,424</b>

2.2.1 The Board of Directors has paid an interim equity dividend of Rs 0.30 (Rs Nil) per share on the face value of Rs 10/- at their meeting held on 13th March, 2020, which is subject to the approval by the shareholders in the ensuing Annual general meeting.

2.2.2 The Board of Directors has paid an interim preference dividend of Rs 4.75 (Rs 5) per share @ 5% on the face value of Rs 100/- on Redeemable Cumulative Preference shares and Convertible Preference shares at the meeting held on 13th March, 2020, which is subject to the approval by the shareholders in the ensuing Annual general meeting. For the previous year preference dividend is paid cumulatively Rs. 30 per share for financial years from 2013-14 to 2018-19 at the Board meeting held on 2nd August, 2019.

## 2.3 Long term Borrowings

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
<b>a) Term Loans (Secured)</b>		
-From Banks ( See Note 2.3.1 and 2.3.2 )	1,47,11,459	2,26,86,186
	<b>1,47,11,459</b>	<b>2,26,86,186</b>

### 2.3.1 Details of Security:

#### Federal Bank:

##### a) Term Loan-I& II:

Secured by the assets procured out of loan amount and also by the equitable mortgage of buildings of the company and are guaranteed by the directors for the full amount.

##### b) Term Loan III

Secured by equitable mortgage of land, hypothecation of assets worth Rs 3,19,72,000 & are guaranteed by the directors for the full amount

##### c) Term Loan IV

Secured by equitable mortgage of land, hypothecation of MRI Scanner- Magnetom Essenza, A Tim and Dot system worth Rs3,80,00,000 & are guaranteed by the directors for the full amount

### 2.3.2 Repayment and other terms:

(Amount in Rs.)

Particulars	Terms	Current Maturity	Non- Current
Federal Bank Term Loan - I	Repayable in 50 monthly instalments(exclusive of interest) of 12,083.66/- USD from march 2015, and last instalment of 23,799/- USD	- (25,01,870)	- -
Federal Bank Term Loan - II	Repayable in 41 equated monthly instalments of Rs. 16,59,083 each (inclusive of interest) from January, 2016	- (1,19,574)	- -
Federal Bank Term Loan - III- See note 2.3.3	20 equated monthly instalments of Rs 6,97,242/- (inclusive of interest) is balance payable.	42,65,918 (65,35,876)	79,75,900 (1,23,07,030)
Federal Bank Term Loan - IV-See note 2.3.3	20 equated monthly instalments of Rs 5,88,970/- (inclusive of interest) is balance payable.	36,03,478 (54,46,563)	67,35,559 (1,03,79,156)
<b>Current Year</b>		<b>78,69,396</b>	<b>1,47,11,459</b>
<b>Previous Year</b>		<b>(1,46,03,883)</b>	<b>(2,26,86,186)</b>

2.3.3 Based on the circular no.180/2019-20 and circular no.244/2019-20 issued by RBI, company availed the moratorium facility extended by the banker upto 31-08-2020. Accordingly current maturity is calculated for the month from Sept 2020 to March 2020.

### 2.4 Deferred Tax Liabilities (Net)

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
<b>A. Deferred Tax Liability</b>		
On excess of net book value over Income tax written down value of Property plant & equipments	5,11,36,000	4,99,10,000
<b>Total Deferred Tax Liabilities</b>	<b>5,11,36,000</b>	<b>4,99,10,000</b>
<b>B. Deferred Tax Assets</b>		
On provisions/other disallowances	18,67,000	25,51,000
On unabsorbed depreciation	1,09,32,000	2,66,21,000
<b>Total Deferred Tax Assets</b>	<b>1,27,99,000</b>	<b>2,91,72,000</b>
<b>Net Deferred Tax Liabilities</b>	<b>3,83,37,000</b>	<b>2,07,38,000</b>

### 2.5 Long-term Provisions

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
Provision for Employee benefits (refer note 2.5.1 below)	29,87,390	27,63,543
	29,87,390	27,63,543

#### 2.5.1 Disclosures required under Accounting Standard 15 - "Employee Benefits"

##### 1. Defined Contribution Plan

During the year the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plans:

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
Employers contribution to ESI	7,89,878	9,17,561
Employers contribution to Provident Fund	18,55,148	19,10,082



2. Defined Benefit Plan  
Gratuity – Unfunded Obligation

i	Actuarial Assumptions	31st March 2020	31st March 2019
	Discount Rate (per annum)	6.43%	7.30%
	Salary escalation rate*	5.00%	5.00%
	Attrition rate	10.00%	10.00%

\* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii	Reconciliation of present value of obligations	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
	<b>Present value of obligation at beginning of the year</b>	<b>30,62,926</b>	<b>25,69,221</b>
	Current Service Cost	10,73,359	12,00,422
	Past Service Cost	-	-
	Interest Cost	2,09,613	1,97,959
	Actuarial (gain)/loss	(7,21,894)	(9,04,676)
	Benefits Paid	(3,83,040)	-
	<b>Present value of obligation at the end of the year</b>	<b>32,40,964</b>	<b>30,62,926</b>

iii	Net (Asset)/ Liability recognized in the Balance Sheet as at year end	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
	Present value of obligations at the end of the year	32,40,964	30,62,926
	Fair value of plan assets at the end of the year.	-	-
	<b>Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet</b>	<b>32,40,964</b>	<b>30,62,926</b>

iv	Expenses recognised in the Statement of Profit and Loss	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
	Current Service Cost	10,73,359	12,00,422
	Interest Cost	2,09,613	1,97,959
	Actuarial (gain) / loss recognised in the period	(7,21,894)	(9,04,676)
	Past Service Cost	-	-
	<b>Total expenses recognised in the Statement of Profit and Loss for the year</b>	<b>5,61,078</b>	<b>4,93,705</b>

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

2.6 Short term borrowings

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
<b>a) Loans repayable on demand</b>		
<b>i) From Bank</b>		
Corporate credit card from HDFC Bank	24,972	-
Overdraft facility from Federal Bank (refer note 2.6.1)	-	4,04,448
	<b>24,972</b>	<b>4,04,448</b>

2.6.1 Overdraft facility from Federal bank was secured by equitable mortgage of land, fixed deposit of Rs.92 lakhs as collateral security & are guaranteed by the directors for the full amount. The facility has been closed during the year.

2.7 Trade payables

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
i) Total outstanding dues of micro enterprises and small enterprises	15,53,820	17,99,996
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,22,94,687	4,14,72,665
	<b>5,38,48,507</b>	<b>4,32,72,661</b>

2.7.1 The company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006.

2.7.2 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available Information with Company is as under :

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
i) Principal amount remaining Unpaid as at the end of accounting year	15,53,820	17,99,996
ii) Interest due on above and remaining unpaid as at the end of	-	2,036
iii) Amount of Interest paid along with amount of payment made to supplier beyond the appointed day	-	-
iv) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this act.	10,967	38,553
v) Interest accrued and remaining unpaid	10,967	40,589
vi) Amount of Further Interest remaining due and payable in succeeding years	-	-

## 2.8 Other Current liabilities

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
a) Current maturities of Term loan (refer note 2.3.2)	78,69,396	1,46,03,883
b) Interest accrued but not due on borrowings	1,85,894	1,97,898
c) Statutory dues payable	18,83,730	29,76,249
d) Security deposits	7,42,876	7,70,260
e) Advance from patients	7,69,485	6,47,027
f) Unpaid Dividend	4,37,975	5,06,672
g) Creditors for Capital goods	4,24,352	1,65,274
	<b>1,23,13,708</b>	<b>1,98,67,263</b>

## 2.9 Short term provisions

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
a) Provision for employee benefits (refer note 2.5.1)	2,53,574	2,99,384
b) Other provision For Income tax (Net of Advance tax and Tax deducted at Source)	-	9,64,326
	<b>2,53,574</b>	<b>12,63,710</b>

## 2.11 Non Current Investments

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
Investment in National Savings Certificate	10,000	10,000
	<b>10,000</b>	<b>10,000</b>

2.11.1 The above investment is held under lien with the sales tax authorities

## 2.12 Long Term Loans and Advances

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
<b>Unsecured , considered good</b>		
a) Capital Advances	22,500	3,12,040
b) Security Deposits	33,15,079	27,34,258
c) Advance tax & Tax Deducted at Source(net of income tax provision)	61,34,070	-
d) MAT Credit entitlement	2,52,42,300	1,48,03,800
e) Prepaid Expense	2,65,337	2,47,093
	<b>3,49,79,286</b>	<b>1,80,97,191</b>

**2.13 Other Non current Assets**

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
a) Accrued interest on investment	5,236	5,236
	<b>5,236</b>	<b>5,236</b>

**2.14 Inventories**

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
(a) Medicines	50,06,636	1,06,28,067
(b) Consumables	1,31,83,019	92,03,395
	<b>1,81,89,655</b>	<b>1,98,31,462</b>

Method of Valuation of Inventories - See Note 1.9 of Significant Accounting Policies.

**2.15 Trade receivables**

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, Considered Good	22,10,421	39,95,952
- Unsecured, Considered Doubtful	14,62,146	24,01,338
Less: Provision for doubtful debts	(14,62,146)	(24,01,338)
Other Debts	-	
- Unsecured, Considered Good	1,04,19,166	81,01,426
	<b>1,26,29,587</b>	<b>1,20,97,378</b>

**2.16 Cash and cash equivalents**

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
a) Balances with banks		
(i) Current accounts	64,55,611	1,02,70,741
(ii) Unpaid Dividend accounts	4,42,330	5,14,077
(iii) Deposit accounts ( See Note 2.16.1 & 2.16.2)	5,63,28,162	3,23,52,169
b) Cash on hand	4,68,429	15,61,017
	<b>6,36,94,532</b>	<b>4,46,98,004</b>

2.16.1 Balance with bank in deposit accounts includes Rs.26,47,311/- (Rs. 1,37,63,040/-) held as margin money deposits towards bank loans/guarantees.

2.16.2 Balance with bank in deposit accounts includes Rs.90,49,220/- (Rs.23,85,392/-) with maturity period of more than 12 months.

**2.17 Short Term Loans and Advances**

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
<b>(Unsecured and considered good)</b>		
(a) Prepaid expenses	73,09,880	32,47,641
(b) Advance for Supplies & Services	1,25,817	10,23,263
(c) Other advances recoverable in cash or in kind.	81,422	7,59,024
(d) Security Deposit	12,91,562	13,11,562
(e) Balance with Statutory Authority	1,02,912	4,31,057
	<b>89,11,593</b>	<b>67,72,547</b>

**2.18 Other Current Assets**

Particulars	31st March 2020 (Amount in Rs.)	31st March 2019 (Amount in Rs.)
(a) Interest accrued on Deposits	1,82,086	1,89,253
(b) Insurance claim receivable	-	28,03,487
(c) Unbilled revenue	26,08,527	32,09,720
	<b>27,90,613</b>	<b>62,02,460</b>

## 2.19 Revenue from Operations

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Sale of Services:</b>		
Revenue from Health care services	38,17,73,604	35,89,14,163
<b>Sale of Products</b>		
Pharmacy collection	9,76,94,885	9,04,18,637
<b>Other operating revenues</b>		
Rent & Fee collection	25,73,622	17,55,620
	<b>48,20,42,111</b>	<b>45,10,88,420</b>

## 2.20 Other Income

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(a) Interest Income	28,91,953	24,21,416
(b) Liabilities/Provisions no longer required written back	3,81,902	49,61,666
(c) Insurance claim received	3,85,757	-
(d) Other non-operating income	6,63,135	21,89,925
	<b>43,22,747</b>	<b>95,73,007</b>

## 2.21 Cost of materials consumed

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening Stock	92,03,395	88,30,420
Add: Purchase	5,85,14,558	5,04,45,275
Less: Loss due to Flood	-	(1,74,435)
Less: Closing Stock	(1,31,83,019)	(92,03,395)
	<b>5,45,34,934</b>	<b>4,98,97,865</b>

## 2.22 Purchase of Medicines

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(i) Medicines	5,72,55,434	5,96,15,311
Less: Loss due to Flood	-	(1,06,255)
	<b>5,72,55,434</b>	<b>5,95,09,056</b>

## 2.23 Changes in inventories of medicines

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventories at the end of the year	50,06,636	1,06,28,067
Inventories at the beginning of the year	1,06,28,067	93,79,091
	<b>56,21,431</b>	<b>(12,48,976)</b>

## 2.24 Employee benefits expense

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(a) Salaries, stipend and allowances	6,56,10,072	7,14,43,984
(b) Contributions to provident and other funds	26,52,826	28,35,403
(c) Staff welfare expenses	80,77,112	17,38,850
(d) Gratuity	6,01,574	5,84,377
	<b>7,69,41,584</b>	<b>7,66,02,614</b>

## 2.25 Finance Costs

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(a) Interest expenses	29,52,953	38,58,205
(b) Other borrowing cost	-	7,29,748
(c) Net loss on foreign currency transactions and translation	-	19,54,954
(d) Interest paid on Income Tax	2,81,413	14,289
	<b>32,34,366</b>	<b>65,57,196</b>

## 2.26 Other expenses

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Power, fuel & water charges	1,54,16,866	1,50,42,927
Consultancy charges - Doctors	12,74,66,887	11,35,75,984
Professional Charges	30,40,487	16,21,800
House Keeping expenses	79,61,836	86,03,204
Lab Testing Charges	29,65,103	27,14,341
Rates and taxes	24,48,317	15,94,672
Repairs to : Machinery	77,67,493	79,74,945
: Building	39,99,776	27,09,091
Other Administrative expenses	11,61,578	13,07,827
Payments to auditors (see note 2.26.1 below)	6,86,000	6,62,394
Communication	6,45,620	6,92,301
Bank charges	11,44,361	11,65,158
Director sitting fees	14,07,120	-
Traveling charges	23,93,407	21,48,934
Bad debts and advances written off	22,50,980	2,34,084
Less: Provision made written back	(21,96,891)	(2,34,084)
	54,089	-
Provision for bad and doubtful debt	12,57,699	-
Advertisement/Sales Promotion Expenses	72,16,552	74,55,043
Food and Refreshment Expenses	7,27,073	10,36,242
Miscellaneous expenses	7,25,179	23,63,163
Foreign exchange rate variation (Net of loss)	19,882	6,39,150
Loss on sale of asset	3,18,560	2,37,882
Assets discarded written off (see note 2.26.2 below)	3,33,612	11,33,233
Printing and Stationery	35,57,737	29,56,585
Hiring Charges	23,90,167	28,84,130
Insurance	18,24,765	7,56,674
CSR expense (see note 2.26.3 below)	75,000	-
	<b>19,70,05,166</b>	<b>17,92,75,680</b>

## 2.26.1 Payment to auditors:

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(a) Statutory Audit Fee	6,00,000	5,50,000
(b) Taxation Matters	-	10,000
(c) Other services	-	-
(d) Reimbursement of Expenses	-	1,351
(e) GST/Service Tax on above	86,000	1,01,043
	<b>6,86,000</b>	<b>6,62,394</b>

2.26.2 Asset discarded written off is net-off insurance claim Rs 14,51,787 (Rs.10,30,299/-) on break down of fixed assets, recognised on the basis of actual receipts during current year/subsequent to the balance sheet date.

## 2.26.3 Disclosure on CSR Expenditure:

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(i) Gross amount required to be spent by the company during the year	9,01,990	-
(ii) Amount approved by the Board to be spent during the year	8,54,749	-
(iii) Amount spent during the year on the following:		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above-	75,000	-
In cash- for eradication of hunger		

## 2.27 Extraordinary Items

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
(a) Repairs charges (see note 2.27.1 below)	-	(34,31,505)
(b) Stock lost on flood (see note 2.27.1 below)	-	(2,80,690)
(c) Insurance claim on loss by flood (see note 2.27.1 below)	-	33,88,361
	-	<b>(3,23,834)</b>

2.27.1 Extraordinary items represents value of stock lost and repairs and maintenance expenses due to flood occurred during the previous year and Insurance claim recognised as income based on actual receipts during the previous year/subsequent to 31st March 2019.

## 2.28 Earning per Equity share:

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Basic Earnings per share</b>		
a) Net Profit/(Loss) before extraordinary item	4,53,15,029	4,62,06,976
Less: Preference dividend on Convertible Preference shares (including applicable dividend distribution tax)	(17,194)	(18,083)
Less: Preference dividend on 5% cumulative redeemable preference share(including applicable dividend distribution tax)	(15,28,038)	(15,28,038)
b) Profit available to equity shareholders before extraordinary item	4,37,69,797	4,46,60,855
Less: Extraordinary item- Loss on Flood (net of tax)	-	(2,57,167)
c) Profit available to equity shareholders after extraordinary item	4,37,69,797	4,44,03,688
d) Weighted average number of equity shares @ Rs 10 each, fully paid up	4,86,57,396	4,86,37,738
<b>Earning per share before extraordinary item (b / d)</b>	<b>0.900</b>	<b>0.918</b>
<b>Earning per share after extraordinary item (c / d)</b>	<b>0.900</b>	<b>0.913</b>
<b>Diluted Earnings per share</b>		
(a) Profit available to equity shareholders before extraordinary item	4,37,69,797	4,46,60,855
Add: Preference dividend on Convertible Preference shares (including applicable dividend distribution tax)	17,194	18,083
Profit available to equity shareholders before extraordinary item after considering dilutive effect	4,37,86,991	4,46,78,938
Less: Extraordinary item- Loss on flood	-	(2,57,167)
b) Profit available to equity shareholders after extraordinary item	4,37,86,991	4,44,21,771
c) Weighted average number of equity shares @ Rs 10 each, fully paid Add: Potential equity shares	4,86,57,396 30,000	4,86,37,738 30,000
d) Weighted average number of equity shares for diluted earning per share	4,86,87,396	4,86,67,738
<b>Dilutive Earning per share before extraordinary item (a / d)</b>	<b>0.899</b>	<b>0.918</b>
<b>Dilutive Earning per share after extraordinary item (b / d)</b>	<b>0.899</b>	<b>0.913</b>

2.29 The details of Provisions and Contingent Liabilities are as under.(Disclosed in terms of Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets notified by the Companies (Accounting Standards) Rules, 2006

2.29.1 Contingent liabilities not provided for:

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
a) Bank Guarantees	5,53,500	52,29,396
b) Preference Dividend on 5% Cumulative Redeemable preference shares of Rs100 each, not declared by the company	62,336	-

2.30 The company has an internal control system in place, including in relation to internal financial controls over financial reporting , which is commensurate with the nature and size of its operations. These internal controls are reviewed/tested by the management/internal auditors on an ongoing basis and there are no material weakness/deficiencies. Further strengthening of the internal control systems/improvements are being assessed/carried out by the management on a continuing basis.

2.31 Purchase Commitments

The company had taken certain equipment's from suppliers on operating type lease against payment by agreed annual business commitments for purchase of material in reagents, i.e. controls and consumables for an agreed sum, for the agreed duration under the relative agreement. The company has the following commitments under these agreements:

(Amount in Rs.)

Particulars	Less than 1 year	Later than 1 year upto 5 years	Later than 5 Years
Towards value of consumables to be procured from the Lessor(s)	2,35,188 (41,64,520)	31,98,000 (Nil)	Nil (Nil)

2.32 Related Party disclosures as per Accounting Standard - 18 "Related Party Disclosures":

Related party and Nature of Relationship:

a) Key Managerial Personnel

Name	Designation
Dr. Yusuf Kumble	Managing Director
Dr.Ali Kumble	Whole Time Director

b) Relatives of Key Managerial Personnel

Name	Designation/Nature of Relationship
Mrs.Nifri Yusuf	Director/Relative of Key Managerial Personnel
Mrs.Raziya Ali	Director/Relative of Key Managerial Personnel
Mrs.Beefathima	Relative of Key Managerial Personnel

Details of transactions with related parties:

Particulars	For the year ended 31st March 2020 (Amount in Rs.)	For the year ended 31st March 2019 (Amount in Rs.)
1.Remuneration paid		
a.For Professional Services		
Dr. Yusuf Kumble	1,86,59,260	1,69,46,584
Dr. Ali Kumble	69,02,067	59,74,239
b.Salary paid		
Mrs. Raziya Ali	6,00,000	6,00,000
Mrs. Nifri Yusuf	6,50,000	6,00,000
2. Hospital Services rendered		
Mrs. Beefathima	1,97,358	3,98,774
3. Sale of Medicines		
Dr. Ali Kumble	17,376	5,70,444
Dr. Yusuf Kumble	1,969	-
Mrs. Nifri Yusuf	6,436	-

4. Director sitting fees paid		
Dr. Yusuf Kumble	1,14,400	-
Dr. Ali Kumble	1,14,400	-
Mrs. Raziya Ali	1,60,160	-
Mrs. Nifri Yusuf	1,60,160	-
5. Balances at year end		
Trade Payables		
Dr. Yusuf Kumble	2,50,741	3,09,749
Dr. Ali Kumble	3,81,227	1,32,177
Mrs. Raziya Ali	76,300	-
Mrs. Nifri Yusuf	1,26,300	-

### 2.33 Additional Information

2.33.1	Expenditure in foreign currency	For the year ended 31st March 2020 (Amount in Rs.)	For the year ended 31st March 2019 (Amount in Rs.)
	Interest on Term Loan	17,412	3,97,114
	Interest on Buyers Credit	-	3,46,112
	Buyers credit commission	-	44,612
	Business Tours	9,22,841	2,74,599
	Subscriptions of Magazines	37,193	60,573

2.33.2	Earnings in Foreign Exchange	For the year ended 31st March 2020 (Amount in Rs.)	For the year ended 31st March 2019 (Amount in Rs.)
	Export of Services	19,51,063	28,98,001

2.34 The estimated amounts of contracts remaining to be executed on capital account and not being provided for as at 31-03-2020, net of advance is Rs 95,500/- (Rs.3,87,246/-)

2.35 In the opinion of Directors, Loans and Advances and Other Current Assets have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.

2.36 The outbreak of COVID – 19 pandemic and the consequent lock-down restrictions imposed by the Governments have affected the financial operations of the company more particularly for periods commencing from the last week of the financial year ended 31st March 2020. However, with such restrictions being increasingly relaxed from the last week of April 2020 in many areas, the operations of the company have since been improving. In view of continuing uncertainties, the extent of impact on the company's operations and financial position would depend on several factors including the steps taken by the Governments and the company to mitigate the same.

The company has considered the possible impact of all known events arising from the pandemic COVID -19 in preparation of the Financial Statements, including its assessment of liquidity and going concern assumption, recoverable values of its assets, impact on revenues and expenses and all other key aspects as at the Balance Sheet date. Based on an assessment of the present situation, the management does not anticipate the requirement to make any further adjustments in the accounts at this stage on account of the above. Given the continuing uncertainties associated with the pandemic, the management will continue to monitor the position based on future conditions.

2.37 The figures in brackets, unless otherwise stated represents figures for the financial year. Figures have been rounded off to the nearest Rupee. Figures of the previous year have been regrouped/recast where ever necessary to suit the classification/disclosure of the current year.

**As per our report of even date attached**

For VARMA AND VARMA  
(FRN: 004532S)

**For and on behalf of the Board of Directors**

Sd/-

(C.A.Vivek Krishna Govind)  
Chartered Accountant  
M.No.208259

Sd/-

CA.Chaitanya V  
Chief Financial Officer &  
Company Secretary

Sd/-

Dr. Yusuf A Kumble  
Managing Director  
DIN: 00354740

Sd/-

Dr. Ali Kumble  
Whole Time Director  
DIN: 00353935

Place: Kochi  
Date : 28-09-2020

Place: Mangalore  
Date : 25-09-2020