

16th ANNUAL REPORT 2018-2019

AyurvedaGram Heritage Wellness Centre Private Limited

Hemmandanahalli, Samethanahalli Post

Whitefield, Bengaluru-560 067, India

Tel: 91-80-27945430-33 Fax: 91-80-27945427

E-mail : response@ayurvedagram.com

Website : www.ayurvedagram.com

BOARD OF DIRECTORS

| | |
|---------------------------------|--|
| CHAIRMAN | : Mr. Ramesh Vangal |
| DIRECTORS | : Mr. Anand Subramanian Mr. S Krishnamurthy Mr. S K Arunkumar Mrs. Sangeetha Arunkumar |
| REGISTERED OFFICE & RESORT : | : Hemmandanahalli, Samethanahalli Post Whitefield, Bangalore -560067. |
| CORPORATE OFFICE | : No.1134, 1st Floor, 100 Feet Road, HAL 2 nd Stage, Bangalore-560008 |
| AUDITORS | : S V Sabareesan & Co Chartered Accountants #34, 1st Block, 5th Cross, Kumara Park West Bangalore - 560020 |

AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED
Regd.Off: Hemmandanahalli, Samethanahalli Post, Whitefield, Bengaluru-560 067.
Ph: +91 (80)27945430-33 Fax: +91(80)027945427
Email: response@ayurvedagram.com Website: www.ayurvedagram.com
(CIN: U74140KA2003PTC031511)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of the Members of Ayurvedagram Heritage Wellness Centre Private Limited will be held on Saturday, the 28th September, 2019 at 10.30 A.M at the registered office of the company at Hemmandanahalli, Samethanahalli Post, Whitefield, Bangalore -560 067 to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the audited Financial Statements of the Company comprising the Balance Sheet as on March 31, 2019, Statement of Profit & Loss and Cash Flow Statement and Notes thereto for the financial year ended on March 31, 2019 together with the Report of the Board of Directors and Auditors' thereon.

2. **Appointment of Auditor:**

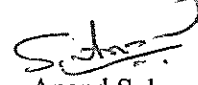
To appoint the auditors and to fix their remuneration. In this connection, to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to provisions of Section 139,142 and other applicable provisions of the Companies Act, 2013, M/s S V Sabareesan & Co, Chartered Accountants, Bangalore, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2024, on such remuneration as may be mutually agreed by and between the Board of Directors and the Auditor.”

“RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may be deemed necessary in this behalf.”

Place: Bangalore
Date: 30th August, 2019

By order of the Board of Directors


Anand Subramanian
Director
(DIN: 00064083)

Note:

- a. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf.
 - b. A proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the company not less than forty eight hours before this Annual General Meeting.
-

AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED

DIRECTORS' REPORT

Your directors have pleasure in presenting the 16th Annual Report on the business and operations of your company together with the Audited Accounts for the year ended 31st March 2019.

Financial Results

The Financial Results of the company for the year ended on 31st March 2018 as compared with the previous year are as under:

| | Year ended 31 st March 2019 (Rs. in Lakhs) | Year ended 31 st March 2018 (Rs. in Lakhs) |
|---|---|---|
| Net Income from Sales /Services | 771.26 | 763.94 |
| Other Income | 4.14 | - |
| Total Revenues | 775.40 | 763.94 |
| Profit before Interest, Depreciation and Tax (EBITDA) | 109.17 | 192.75 |
| Finance Charges | (43.90) | (26.78) |
| Depreciation | (32.73) | (119.91) |
| Profit before taxation | 32.54 | 46.06 |
| Deferred tax | 10.22 | 28.01 |
| Income Tax | (12.49) | (46.69) |
| MAT Credit | - | - |
| Net Profit/(Loss) | 30.27 | 27.38 |

Performance Analysis

During the year under review, the company has achieved total revenues of Rs. 775.4 Lakhs against revenue of Rs. 763.94 Lakhs of previous financial year. The Net profit of the company for the year, after providing for tax is Rs. 30.27 Lakhs in the current year as compared to Rs.27.38 Lakhs in previous year.

Business Review

The Net Profit of the company in the current year has marginally improved from 27.38 lakhs to 30.27 lakhs.

Reserves:

During the year under report, your directors do not propose to transfer any amount to any Reserves.

Dividend

Though the company has posted net profit during the year, in order to conserve cash for further investment in the business, your Directors do not propose to recommend any dividend for the year.

Directors Responsibility Statement

In accordance with section 134(5) of the Companies Act, 2013, the Board confirms that:-

- a) in the preparation of the Annual Accounts for the year ended 31st March 2019, the applicable accounting standards had been followed along with proper explanations and there were no material departures.
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March 2019 and of the profit and loss of the company for the year ended 31st March 2019.
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, 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.

Material Changes and Commitments

No material changes and commitments took place in the company during the financial year.

Change in the Nature of Business

There was no change in the nature of business of the Company during the financial year ended 31st March, 2019.

Names of Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

During the financial year ended 31st March, 2019, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

Deposits

During the year under review the company has not accepted any deposits. There are no unclaimed deposit as on date.

Labour Relations

Labour relations have been excellent and harmonious throughout the year.

Statement Concerning Development and Implementation of Risk Management policy of the company

The company does not have any Risk Management Policy as the elements of risk threatening the company's existence are very minimal.

Subsidiaries, Joint Ventures and Associate companies

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

Compliance with Secretarial Standards on Board and General Meetings

The company has complied with the Secretarial Standards issued by Institute of Company Secretaries of India during the period under the review.

Disclosures under Sexual Harrasment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has complied with the provisions as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

However, during the period under review, no complaints were received under the policy for prohibition, prevention and redressal of sexual harassment of the women at work place.

Extract of Annual Return

Pursuant to Section 92(3) and 134(3)(a) of the Companies act, 2013, the extract of the Annual Return as on March 31, 2019 in form MGT-9 is annexed herewith as **Annexure 1**.

Particulars of Contracts or Arrangements with related parties

The particulars of every contract or 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 transactions under third proviso is attached as **Annexure 2**.

Particulars of loans, guarantees or investments under section 186

No loans or Guarantee has been given by the company during the Financial Year 2018-19.

Director retiring by rotation

In accordance with Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. S. Krishnamurthy, (DIN: 00140414), shall retire at the ensuing Annual General Meeting and being eligible for re-appointment, offers himself for re-appointment.

Directors

(Appointment/Reappointment/Resignation of Directors)

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same.

Meeting of Board of Directors

The Board meets at the regular intervals to discuss business plan and strategies. The notice of the Board Meeting is given well in advance to all the Directors.

During the financial year ended 31st March 2019, the following were the dates on which Board meetings of the company were held:

| Serial Number | Date of the Board Meetings |
|----------------------|-----------------------------------|
| 1 | 21 May 2018 |
| 2 | 19 July 2018 |
| 4 | 25 October 2018 |
| 6 | 10 January 2019 |
| 7 | 25 March 2019 |

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Statutory Auditors

M/s. S V Sabareesan & Co, Chartered Accountants, were appointed as Statutory Auditors of the company for a term of 5 years upto the conclusion of Annual General Meeting to be held in the year in 2024. The company has received a letter, pursuant to Section 139 of the Companies Act, 2013, from M/s. S V Sabareesan & Co, Chartered Accountants, confirming consent and their eligibility for acting as Statutory Auditors of the Company. The Board also recommends their appointment as Statutory Auditors for the ensuing financial year.

Statutory Auditors' Report

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

Key Managerial Personnel

In terms of section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is not required to appoint Key Managerial Personnel.

Board Evaluation

In terms of Section 134(3)(p) of the Companies Act, 2013, the Company is not required to carry out the annual evaluation of the Board's performance and that of its committees and individual directors.

Corporate Social Responsibility

The Company does not fall under the provisions of Section 135 of the Companies Act, 2013 read with CSR Rules, 2014.

Details in respect of frauds reported by Auditor's Under Section 143 (12) of The Companies Act, 2013

There were no instances of fraud, misfeasance or irregularity detected and reported by the Auditors in the Company under section 143(12) of the Companies Act, 2013 during the financial year 2017-18.

Cost Auditors

The Company is not required to appoint Cost Auditor as required under section 148 of the Companies Act, 2013 and rules made thereunder.

Vigil Mechanism / Whistle Blower Policy

Your Company is not required to adopt vigil mechanism.

Energy Conservation, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 3** and forms part of this Report.

Appointment of Secretarial Auditor and Secretarial Audit Report

As per the provision of Section 204 and other applicable provisions, if any, of Companies Act, 2013, Mr. V. Padmanabhan, Practicing Company Secretary, Bangalore, was appointed as the Secretarial Auditor of the Company for the financial year 2018-2019.

The Secretarial Audit Report is annexed herewith as **Annexure 4** in the prescribed format MR 3.

Acknowledgements

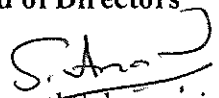
Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, regulatory Bodies, Stakeholders including Financial Institutions, Distributors and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for your continued support in the future.

On behalf of the Board of Directors

Date: 30th August, 2019
Place: Bengaluru

Ramesh Vangal
Director
DIN: 00064018


Anand Subramanian
Director
DIN: 00064083

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019

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 | U74140KA2003PTC031511 |
| 2 | Registration Date | 27.01.2003 |
| 3 | Name of the Company | Ayurvedagram Heritage Wellness Centre Private Limited |
| 4 | Category/Sub-category of the Company | Company Limited by Shares and Indian Non-Government Company |
| 5 | Address of the Registered office & contact details | Hemmandanahalli, Samethanalli Post, Whitefield, Bangalore 560067 E-Mail Id: response@ayurvedagram.com |
| 6 | Whether listed company | NO |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | N.A |

| 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 | Health Care Services | 86901 | 89.58 |
| 2 | Ayurvedic Medicines | 21003 | 10.42 |

| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES | | | | | |
|---|---------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| SN | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
| 1 | KERALA AYURVEDA LIMITED | L24233KL1992PLC006592 | Holding | 74% | 2(46) |

| |
|----------------------------------|
| IV. SHARE HOLDING PATTERN |
|----------------------------------|

(Equity share capital breakup as percentage of total equity)

(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 | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | | 585,004 | 585,004 | 26.00% | | 585,004 | 585,004 | 26.00% | 0.00% |
| b) Central Govt | | | - | 0.00% | | | - | 0.00% | |
| c) State Govt(s) | | | - | 0.00% | | | - | 0.00% | |
| d) Bodies Corp. | | 1,664,996 | 1,664,996 | 74.00% | | 1,664,996 | 1,664,996 | 74.00% | 0.00% |
| e) Banks / FI | | | - | 0.00% | | | - | 0.00% | |
| f) Any other | | | - | 0.00% | | | - | 0.00% | |
| Sub Total (A) (1) | - | 2,250,000 | 2,250,000 | 100.00% | - | 2,250,000 | 2,250,000 | 100.00% | 0.00% |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | | | - | 0.00% | | | - | 0.00% | |
| b) Other Individuals | | | - | 0.00% | | | - | 0.00% | |
| c) Bodies Corp. | | | - | 0.00% | | | - | 0.00% | |
| d) Any other | | | - | 0.00% | | | - | 0.00% | |
| Sub Total (A) (2) | - | - | - | 0.00% | - | - | - | 0.00% | |
| TOTAL (A) | - | 2,250,000 | 2,250,000 | 100.00% | - | 2,250,000 | 2,250,000 | 100.00% | 0.00% |
| B. Public | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | - | 0.00% | | | - | 0.00% | |
| b) Banks / FI | | | - | 0.00% | | | - | 0.00% | |
| c) Central Govt | | | - | 0.00% | | | - | 0.00% | |
| d) State Govt(s) | | | - | 0.00% | | | - | 0.00% | |
| e) Venture Capital Funds | | | - | 0.00% | | | - | 0.00% | |

| | | | | | | | | | |
|--|---|-----------|-----------|---------|---|-----------|-----------|---------|-------|
| f) Insurance Companies | | | - | 0.00% | | | - | 0.00% | |
| g) FIs | | | - | 0.00% | | | - | 0.00% | |
| h) Foreign Venture Capital Funds | | | - | 0.00% | | | - | 0.00% | |
| i) Others (specify) | | | - | 0.00% | | | - | 0.00% | |
| Sub-total (B)(1):- | - | - | - | 0.00% | - | - | - | 0.00% | |
| | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | | | | 0.00% | | | - | 0.00% | |
| ii) Overseas | | | - | 0.00% | | | - | 0.00% | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | | | - | 0.00% | | | - | 0.00% | |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | | | | 0.00% | | | - | 0.00% | |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | | | - | 0.00% | | | - | 0.00% | |
| Overseas Corporate Bodies | | | - | 0.00% | | | - | 0.00% | |
| Foreign Nationals | | | - | 0.00% | | | - | 0.00% | |
| Clearing Members | | | - | 0.00% | | | - | 0.00% | |
| Trusts | | | - | 0.00% | | | - | 0.00% | |
| Foreign Bodies - D R | | | - | 0.00% | | | - | 0.00% | |
| Sub-total (B)(2):- | - | - | - | 0.00% | - | - | - | 0.00% | |
| Total Public (B) | - | - | - | 0.00% | - | - | - | 0.00% | |
| C. Shares held by Custodian for GDRs & ADRs | | | - | 0.00% | | | | 0.00% | |
| Grand Total (A+B+C) | - | 2,250,000 | 2,250,000 | 100.00% | - | 2,250,000 | 2,250,000 | 100.00% | 0.00% |

(ii) Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding 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 | KERALA AYURVEDA LIMITED | 1,664,996 | 74.00% | | 1,664,996 | 74.00% | | 0.00% |
| 2 | S K ARUNKUMAR | 292,500 | 13.00% | | 292,500 | 13.00% | | 0.00% |
| 3 | SANGEETHA ARUNKUMAR | 292,500 | 13.00% | | 292,500 | 13.00% | | 0.00% |
| 4 | ANAND SUBRAMANIAN | 1 | 0.00% | | 1 | 0.00% | | 0.00% |
| 5 | ARVIND AGARWAL | 1 | 0.00% | | 1 | 0.00% | | 0.00% |
| 6 | SURYA KAMAL KATHPALIA | 1 | 0.00% | | 1 | 0.00% | | 0.00% |
| 7 | MANIKANDAN ACHUTHAN | 1 | 0.00% | | 1 | 0.00% | | 0.00% |
| | TOTAL | 2,250,000 | 100.00% | | 2,250,000 | 100.00% | | 0.00% |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)-NO CHANGE

| SN | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|------------------------------|------|--------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| | At the beginning of the year | | | | 0.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | | | | | 0.00% | | 0.00% |
| | | | | | 0.00% | | 0.00% |

| | | | | | | |
|------------------------|--|--|--|-------|--|-------|
| At the end of the year | | | | 0.00% | | 0.00% |
|------------------------|--|--|--|-------|--|-------|

(iv) Shareholding Pattern of top ten Shareholders

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

| SN | For each of the Top 10 shareholders | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|-------------------------------------|------|--------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | Name | | | | | | |
| | At the beginning of the year | | | | 0.00% | | 0.00% |
| | Changes during the year | | | - | 0.00% | | 0.00% |
| | At the end of the year | | | | 0.00% | | 0.00% |

(v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|------|--------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | Name MR S K ARUNKUMAR | | | | | | |
| | At the beginning of the year | | | 292,500 | 13.00% | | 0.00% |
| | Changes during the year | | | - | 0.00% | | 0.00% |
| | At the end of the year | | | 292,500 | 13.00% | 292,500 | 13.00% |
| 2 | Name SANGEETHA ARUNKUMAR | | | | | | |
| | At the beginning of the year | | | 292,500 | 13.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | 292,500 | 13.00% | 292,500 | 13.00% |
| 3 | Name ANAND SUBRAMANIAN | | | | | | |
| | At the beginning of the year | | | 1 | 0.00% | | 0.00% |
| | Changes during the year | | | - | 0.00% | - | 0.00% |
| | At the end of the year | | | | | 1 | 0.00% |

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 | - | 31,003,269 | | 31,003,269 |
| ii) Interest due but not paid | | | | - |
| iii) Interest accrued but not due | | | | - |
| Total (i+ii+iii) | - | 31,003,269 | - | 31,003,269 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | | 11,218,351 | | 11,218,351 |
| * Reduction | - | (13,025,716) | | (13,025,716) |
| Net Change | | (1,807,365) | - | (1,807,365) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | | 29,195,904 | | 29,195,904 |
| ii) Interest due but not paid | | | | - |
| iii) Interest accrued but not due | | | | - |
| Total (i+ii+iii) | - | 29,195,904 | - | 29,195,904 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

NIL

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

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|-----|-----------------------------|-------------------------|--------------|
| | Name | | (Rs/Lac) |

| | Designation | | | |
|---|---|---|---|-----|
| 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) | - | - | NIL |
| | Ceiling as per the Act | | | |

B. Remuneration to other Directors

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|-----|--|-------------------|---|---|--------------|
| | | | | | (Rs/Lac) |
| 1 | Independent Directors | | | | |
| | Fee for attending board committee meetings | | | | - |
| | Commission | | | | - |
| | Others, please specify | | | | - |
| | Total (1) | - | - | - | - |
| 2 | Other Non-Executive Directors | | | | - |
| | Fee for attending board committee meetings | | | | - |
| | Commission | | | | - |
| | Others, please specify | | | | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - |
| | Total Managerial Remuneration | | | | NIL |
| | 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/Lac) |
| | | Name | | | |
| | | Designation | CEO | CFO | CS |
| 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, | | | | - |
| | (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 | - | - | - | NIL |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

There were no penalties/punishment/compounding of offences under the Companies Act, 2013 for the year ending 31st March, 2019.

ANNEXURE - 2

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 arms length transaction under third proviso thereto.

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

| Serial No. | Particulars | Details |
|-------------------|---|--|
| a) | Name of the related party & nature of relationship | KERALA AYURVEDA LIMITED |
| b) | Nature of contracts/arrangements/transaction | Purchase of Medicines |
| c) | Duration of contracts/arrangements/transaction | 01.04.2017 to 31.03.2020 |
| d) | Salient terms of contracts/arrangements/transaction including the value, if any | 15% discount on MRP of KAL Products |
| e) | Justification for entering into such contracts/arrangements/transaction | Being a subsidiary of the company, KAL is offering such discount |
| f) | Date of approval by the Board | 29 th July, 2017 |
| g) | Amount paid as advances, if any | NIL |
| h) | Date on which the Special resolution was passed in General Meeting as required under first proviso to section 188 | 21 st September, 2017 |
| i) | Total value of transaction during the year | 71.18 lakhs |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| SI No | Name of the Related Party | Nature of Contract/ Transactions | Nature of relationship | Duration of the contract, Salient terms & Advance paid | Transaction Amount in Rs Lakhs |
|--------------|-------------------------------------|---|-------------------------------|---|---------------------------------------|
| 1 | KERALA AYURVEDA LIMITED | Services rendered | Holding Company | NA | 12.24 |
| 2 | KATRA HOLDING PRIVATE LIMITED | Services rendered | Common Director | NA | 42.86 |
| 3 | KATRA PHYTOCHEM (INDIA) PVT LTD. | Services rendered | Common Director | NA | 2.66 |
| 4 | AYURVEDIC ACADEMY INC, USA | Services rendered | Fellow Subsidiary | NA | 15.30 |
| 5 | KERALA AYURVEDA LIMITED | Purchase of Services | Holding Company | NA | 90.18 |
| 6 | MASON AND SUMMERS LEISURE PVT LTD | Services received | Common Director | NA | 5.58 |
| 7 | KERALA AYURVEDA LIMITED | Loan Balance | Holding Company | NA | 195.66 |
| 8 | KERALA AYURVEDA LIMITED | Interest paid | Holding Company | NA | 12.88 |
| 9 | KERALA AYURVEDA LIMITED | Trade payables | Holding Company | NA | 152.56 |
| 10 | KATRA HOLDING PRIVATE LIMITED | Trade receivables | Common Director | NA | 123.41 |
| 11 | AYURVEDIC ACADEMY INC, USA | Trade receivables | Fellow Subsidiary | NA | 60.63 |
| 12 | GLOBAL AGRI SYSTEMS PRIVATE LIMITED | Trade receivables | Common Director | NA | 2.36 |
| 13 | GLOBAL NUTRI FOOD PRIVATE LIMITED | Trade receivables | Common Director | NA | 10.66 |
| 14 | MASON AND SUMMERS LEISURE PVT LTD | Trade Advances | Common Director | NA | 14.76 |

On behalf of the Board of Directors

Date: 01st August, 2019

Place: Bengaluru

Ramesh Vangal

Director

DIN: 00064018



Anand Subramanian

Director

DIN: 00064083

ANNEXURE - 3

Information in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended 31st March, 2019.

A. CONSERVATION OF ENERGY

- I. The Steps taken or Impact on conservation of energy- NIL
- II. The Steps taken By the Company for utilizing alternate source of energy -NIL
- III. The Capital Investment on energy conservation equipment – NIL

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- I. The efforts made towards technology absorption
All developments were done indigenously
- II. The benefits derived like product improvement, cost reduction, product development or import substitution -NIL
- III. Details of imported technology
During the year, company has not imported any technology. All developments were done indigenously.
- IV. The expenditure incurred on research and development- NIL

C. FOREIGN EXCHANGE EARNINGS & OUTGO

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

| Foreign Exchange earnings & outgo | Current year |
|-----------------------------------|-----------------|
| Earnings | Rs 256.61 Lakhs |
| Out go | Nil |

On behalf of the Board of Directors

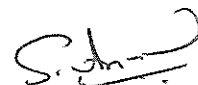
Date: 01stSeptember, 2019

Place: Bengaluru

Ramesh Vangal

Director

DIN: 00064018



Anand Subramanian

Director

DIN: 00064083

Annexure - 4

V. Padmanabhan
Company Secretary

772, I Cross
Indiranagar I Stage
BANGALORE 560 038.
Ph: 25550650/25293372
Mobile: 98801 99842

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT LTD
Hemmandanahalli,
Samethanalli Post, Whitefield,
Bengaluru-560067

I, Padmanabhan V, Practising Company Secretary, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT. LTD. [CIN: U74140KA2003PTC031511]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.



We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. There is no new Foreign Direct Investment during the period under review. There are no External Commercial Borrowings;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review which is in compliance with the provisions of the Act.

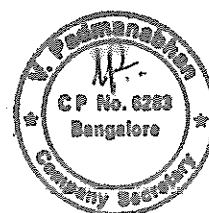
Adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

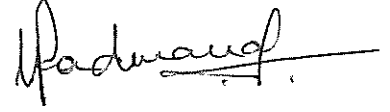
We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity;
- ii. Redemption / buy-back of securities;
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction;
- v. Foreign technical collaborations.



This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.



(V. Padmanabhan)
FCS 6043 / CP 6283

Place : Bengaluru

Date : 01.08.2019

V. Padmanabhan
Company Secretary
Mem. No. 6043
C P No. 6283
772, 1st Cross,
Indiranagar 1st Stage,
Bangalore - 560 038.

ANNEXURE A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To

The Members,

AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT LTD

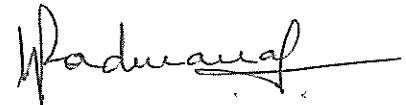
Hemmandanahalli,

Samethanalli Post, Whitefield,

Bengaluru-560067

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc., wherever required. We relied on management representation where we were unable to verify the underlying documents.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2019 but before issue of the Report.
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.



(V. Padmanabhan)
FCS 6043 / CP 6283

Place : Bengaluru

Date : 01.08.2019

V. Padmanabhan
Company Secretary
Mem. No. 6043
C P No. 6283
772, 1st Cross,
Indiranagar 1st Stage,
Bengaluru - 560 038.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit (including other comprehensive income), its cash flows and the changes in equity 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 Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act 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.

Information other than the Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.



Management's responsibility for the financial statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.

SV

S V SABAREESAN & CO, Chartered Accountants

34, 1st Block, 5th Cross, Kumarapark West, Bengaluru 560020

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 standalone 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.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SV

S V SABAREESAN & CO, Chartered Accountants

34, 1st Block, 5th Cross, Kumarapark West, Bengaluru 560020

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 section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. 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 did not have any pending litigations which have an impact on its financial position in its financial statement;
 - 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 during the year.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN. 013995S)

Sabareesan S.V.
Sabareesan S V
Proprietor
(Membership No. 208917)
Bengaluru, May 20, 2019

SV

Annexure A to the Independent Auditors' Report

With reference to Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report the following:

1. In respect of its fixed assets:
 - a. the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b. the fixed assets are located at one location. Management has physically verified certain category of during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. the title deeds of immovable properties are held in the name of the company.
2. According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. According to the information and explanation given to us, the company has not granted loans, unsecured to companies covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
4. According to the information and explanations given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted deposits within the meaning of section 73 to 76 of the Act during the year.
6. According to the information and explanation given to us, Central Government has not prescribed maintenance of cost records under section 148(1) of the Act.
7. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Tax Deducted at Source, Professional Tax, Goods and Services Tax, and Other Statutory Dues applicable to it.
 - (b) No undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Tax Deducted at Source, Professional Tax, Goods and Services Tax, and Other Statutory Dues outstanding, at the year end, for a period of more than six months from the date they became payable.
8. To the best of our knowledge and according to information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.



S V SABAREESAN & CO, Chartered Accountants

34, 1st Block, 5th Cross, Kumarapark West, Bengaluru 560020

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Consequently, reporting on utilization of such money does not arise.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The company has not paid managerial remuneration during the year.
12. 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, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under Section 42 of the Act.
15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN. 013995S)

Sabareesan S.V.
Sabareesan S V
Proprietor
(Membership No. 208917)

Bengaluru, May 20, 2019



Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

1. Background

Ayurvedagram Heritage Wellness Centre Private Limited was incorporated on 27th January 2003 and CIN is U74140KA2003PTC031511. The Company is into hospital services. The principal place of operations of the Company is located at Hemmandanahalli, Sametanahalli post, Whitefield, Bengaluru.

2. Significant Accounting Policies

a. Basis of preparation and presentation of financial statements

i. Accounting Convention

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provision of the act.

ii. Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

iii. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the use of accounting estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from estimates.

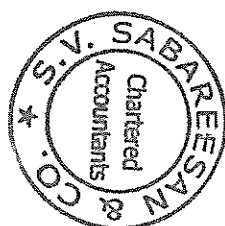
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

b. Property, plant & Equipment

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Interest and other financing costs relating to borrowed funds attributable to the construction or acquisition of fixed assets are capitalized to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress includes capital advances.

Bv



c. Depreciation / amortization methods, estimated useful lives and residual value

Depreciation on all fixed assets is provided based on the useful lives of the asset as prescribed under Schedule II of the Companies Act 2013. Depreciation on additions has been calculated on prorata basis.

d. Inventories

Inventories of medicines, medicare items traded and dealt with by the company are valued at cost.

Stock of provisions, stores, stationeries and housekeeping items are stated at cost. The net realizable value is not applicable in the absence of any further modification/alteration before being consumed in house only.

Cost comprises of costs of purchase and other costs incurred in bringing the inventories to their present location.

e. Trade Receivables

Trade receivables are recorded at their carrying amounts and are not considered to be materially different from their fair values as these are expected to be realized in the normal course of business as per credit realize within the credit period. Management believes that the amounts that are past the credit period are collectible in full, based on historical payment behavior and analysis of customer credit risk.

f. Employee benefits**i. Short-term benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short-term benefits in the period, related service is rendered, at undiscounted amount, for benefits expected to be paid in exchange for the service.

ii. Other Long-Term benefits:

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Gratuity

The Company has an obligation towards gratuity as per actuarial valuation.

Provident fund

Payments to defined contribution plans are recognized as expense when employees have rendered service entitling them to the contribution.



g. Revenue recognition**I. Rendering of Services**

Revenue primarily comprises fee charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical & professional services, equipment and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the amounts due from patients.

II. Sale of Goods

Revenue is measured at the value of consideration received or receivable, taking into account contractually defined terms of payment, excluding taxes and duties collected on behalf of the government. Revenue is stated net of returns and discounts wherever applicable.

III. Other operating revenue

Other operating revenue comprises of travelling income and other miscellaneous income.

h. Foreign Currency Transactions**Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences:

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.



i. Taxes on Income

Current income tax expense comprises current tax and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period and computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

j. Provision and Contingent Liability.**I. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made to settle the obligation

II. Contingent Liability

Contingent liability is disclosed for

- (i) Possible obligations that arise from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise;
- (ii) Present obligation which arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made.

k. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank in current account, cash in hand and include cheques / drafts in hand and collection due from credit cards.



I. Finance Costs

Finance costs consist of interest and other costs that the entity incurs in connection with borrowing of funds.

Borrowing costs that are directly attributable to acquisition or construction of qualifying assets are capitalized as part of cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are charged to revenue.

m. Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

I. Financial assets

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortized cost are represented by loans and advances and other deposits, trade receivables, cash and cash equivalents and other advances.

II. Financial Liability

All financial liabilities are recognized initially at fair value and in case of loans and borrowings net of directly attributable costs. Financial liabilities are subsequently measured at amortized cost using effective interest method. Financial liabilities are represented by borrowings, provisions, Trade payables and other current liabilities.



n Details of Transactions with Related Parties

Disclosure of transactions with the related parties are given below:

i) List of Related party where control exists

| Sl No | Name of the Related Party | Relationship |
|-------|---|---|
| 1 | Katra Holdings Ltd, Mauritius | Ultimate-Holding Company |
| 2 | Kerala Ayurveda Limited | Holding Company |
| 3 | Mason and Summers Leisure Private Limited | Companies under common control |
| 4 | Katra Holding Private Limited | |
| 5 | Global Agri Systems Private Limited | |
| 6 | Global Nutri Food Private Limited | |
| 7 | Katra Phytochem (India) Private Limited | |
| 8 | Ayurvedic Academy Inc., USA | Fellow Subsidiaries |
| 9 | Nutraveda Inc, USA | |
| 10 | Ayu Natural Medicine Clinic PS, USA | |
| 11 | CMS Katra Holdings LLC, USA | |
| 12 | CMS Katra Nursing LLC, USA | |
| 13 | Nutraveda Pte Ltd, Singapore | |
| 14 | Ramesh Vangal | Individual owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual. |

ii) Transactions during the year with related parties

| Particulars | 31 st March, 2019 | 31 st March, 2018 |
|--|------------------------------|------------------------------|
| Sale of Goods/Services: | | |
| Kerala Ayurveda Limited | 12,24,373 | 9,00,624 |
| Katra Holding Private Limited | 42,86,000 | 11,30,468 |
| Katra Phytochem (India) Private Limited | 2,65,617 | 54,32,243 |
| Global Agri Systems Private Limited | - | - |
| Ayurvedic Academy Inc., USA | 15,30,468 | 19,74,286 |
| Purchase of Goods/Services: | | |
| Kerala Ayurveda Limited | 90,18,271 | 1,11,73,186 |
| Mason and Summers Leisure Private Limited | 5,58,152 | 1,66,677 |
| Loan Taken | | |
| Kerala Ayurveda Limited | - | 1,74,90,000 |
| Interest Paid | | |
| Kerala Ayurveda Limited | 12,88,434 | 10,18,000 |
| Balances outstanding at the end of the year | As at 31st March 2019 | As at 31st March 2018 |
| Payables | | |
| Kerala Ayurveda Limited | 1,52,56,230 | 1,04,32,484 |
| Advance | | |
| Mason and Summers Leisure Private Limited | 14,76,507 | - |
| Receivables | | |
| Katra Holding Private Limited | 1,23,41,552 | 82,16,446 |
| Ayurvedic Academy Inc., USA | 60,63,023 | 45,32,555 |
| Global Agri Systems Private Limited | 2,36,800 | 2,36,800 |
| Global Nutri Food Private Limited | 10,65,949 | 10,65,109 |
| Loan Balance due | | |
| Kerala Ayurveda Limited | 1,95,65,789 | 1,84,06,200 |



- o There are no Micro, Small & Medium Enterprises to whom the company owes dues. The Micro, Small & Medium Enterprises have been identified on the basis of information available with the company.

p Expenditure in Foreign Currency

| Particulars | 31st March, 2019 | 31st March, 2018 |
|---------------|------------------|------------------|
| Advertisement | - | - |
| Subscriptions | - | - |
| | - | - |

q Earnings in Foreign Currency

| | | |
|---------------------------------|-------------|-------------|
| Rendering of Services-Treatment | 2,56,60,829 | 2,82,17,099 |
|---------------------------------|-------------|-------------|


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

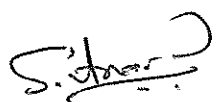
s Contingent liabilities & Commitments

| Particulars | 31st March, 2019 | 31st March, 2018 |
|---|---------------------|---------------------|
| Contracts remaining to be executed on Capital account and not provided for: | | |
| | 2,00,000 | 20,95,000 |
| Guarantee given to ECL Finance Limited: | | |
| For loans taken by the Parent company | 30,00,00,000 | 30,00,00,000 |
| For loans taken by the Promoter group company | 55,00,00,000 | 55,00,00,000 |
| | 85,02,00,000 | 85,20,95,000 |

The figures of previous year have been reclassified wherever necessary in order to conform to current year figures.

For and on behalf of the Board of Directors


Ramesh Vangal
Director
DIN 00064018


Anand Subramanian
Director
DIN 00064083

Place : Bengaluru
Date : May 20, 2019



Ayurvedagram Heritage Wellness Centre Private Limited

CIN: U74140KA2003PTC031511

Balance Sheet as at 31st March, 2019

| | | Amount in Rs. | |
|--------------------------------------|------|---------------------------|---------------------------|
| Particulars | Note | As at 31st March, 2019 | As at 31st March, 2018 |
| A Assets | | | |
| Non Current Assets | | | |
| Property, Plant and Equipment | 4 | 5,64,88,346 | 5,38,53,879 |
| Capital work in progress | | 2,11,51,276 | 2,31,65,486 |
| Financial assets | | | |
| i. Investments | | - | - |
| ii. Loans | | - | - |
| iii. Other financial assets | 5 | 4,11,626 | 6,44,926 |
| Income tax assets (net) | 6 | - | - |
| Total non-current assets | | 7,80,51,248 | 7,76,64,291 |
| Current Assets | | | |
| Inventories | 7 | 26,28,314 | 22,50,111 |
| Financial assets | | | |
| i. Trade receivables | 8 | 2,15,82,162 | 1,46,72,879 |
| ii. Cash and cash equivalents | 9 | 2,12,77,569 | 2,19,38,881 |
| Other current assets | 10 | 18,08,420 | 1,68,088 |
| Total Current Assets | | 4,72,96,465 | 3,90,29,959 |
| Total Assets | | 12,53,47,713 | 11,66,94,250 |
| B EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 11 | 2,25,00,000 | 2,25,00,000 |
| Other Equity | 12 | 3,81,08,116 | 3,50,81,120 |
| Total Equity | | 6,06,08,116 | 5,75,81,120 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 13 | 1,95,65,789 | 1,85,18,180 |
| Provisions | 14 | 27,41,312 | 21,13,416 |
| Deferred Tax liabilities (net) | 15 | 44,60,512 | 54,82,655 |
| Total non-current liabilities | | 2,67,67,613 | 2,61,14,251 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 16 | 96,30,115 | 1,24,85,089 |
| ii. Trade payables | 17 | 1,61,28,687 | 1,16,96,215 |
| Other current liabilities | 18 | 87,12,087 | 52,22,231 |
| Provisions | 19 | 35,01,095 | 35,95,344 |
| Total current liabilities | | 3,79,71,984 | 3,29,98,879 |
| Total liabilities | | 6,47,39,597 | 5,91,13,130 |
| Total equity and liabilities | | 12,53,47,713 | 11,66,94,250 |

The accompanying notes form an integral part of the financial statements
In terms of our report attached.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN.013995S)

Sabareesan S.V.

Sabareesan S V
Proprietor
(Membership No. 208917)

Place : Bengaluru
Date : May 20, 2019



For and on behalf of the Board of Directors

R. Vangal

Ramesh Vangal
Director
DIN 00064018

S. Subramanian

Anand Subramanian
Director
DIN 00064083

Place : Bengaluru
Date : May 20, 2019

Ayurvedagram Heritage Wellness Centre Private Limited
CIN: U74140KA2003PTC031511
Profit & Loss Statement for the period ended 31st March, 2019

| Particulars | Note | Year ended 31st March 2019 | Year ended 31st March 2018 |
|--|------|-------------------------------|-------------------------------|
| Income | | | |
| Revenue from operations | 20 | 7,75,40,020 | 7,63,94,052 |
| Total revenue | | 7,75,40,020 | 7,63,94,052 |
| Expenses | | | |
| (a) Cost of materials consumed | 21 | 56,77,996 | 46,60,803 |
| (b) Purchases | 22 | 66,96,140 | 49,48,884 |
| (c) Changes in Inventories of FG, WIP & Stock In Trade | 23 | (3,29,635) | (38,357) |
| (d) Employee benefits expense | 24 | 3,25,25,662 | 2,35,62,238 |
| (e) Finance costs | 25 | 43,90,214 | 26,77,838 |
| (f) Depreciation | 4 | 32,73,082 | 1,19,91,129 |
| (g) Other expenses | 26 | 2,20,52,817 | 2,39,85,273 |
| Total Expenses | | 7,42,86,276 | 7,17,87,808 |
| Profit Before Exceptional items and Tax | | 32,53,744 | 46,06,244 |
| Profit Before Tax | | 32,53,744 | 46,06,244 |
| Tax expense: | | | |
| (a) Current tax | | 12,48,893 | 46,69,140 |
| (b) Deferred tax | | (10,22,144) | (28,00,943) |
| (c) (Less): MAT credit (where applicable) | | | |
| | | 2,26,749 | 18,68,197 |
| Profit for the period | | 30,26,995 | 27,38,047 |

The accompanying notes form an integral part of the financial statements
In terms of our report attached.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN.013995S)

Sabareesan S.V.

Sabareesan S V
Proprietor
(Membership No. 208917)

Place : Bengaluru
Date : May 20, 2019

R. Vangal

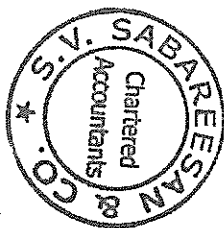
Ramesh Vangal
Director
DIN 00064018

Place : Bengaluru
Date : May 20, 2019

S. Anand

Anand Subramanian
Director
DIN 00064083

Place : Bengaluru
Date : May 20, 2019



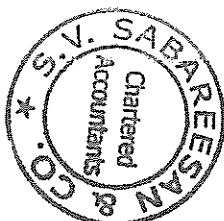
Ayurvedagram Heritage Wellness Centre Private Limited
CIN: U74140KA2003PTC031511
Cash flow statement for the year ended 31st March, 2019

| Particulars | Amount in Rs | |
|--|--------------------------------|--------------------------------|
| | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| A. Cash flow from operating activities | | |
| Net Profit / (Loss) before tax | 32,53,744.00 | 46,06,244.00 |
| Adjustments for: | | |
| Depreciation and amortisation | 32,73,082.00 | 1,19,91,129.00 |
| (Profit) / loss on sale / write off of assets | (4,14,441.00) | - |
| Finance costs | 43,90,214.00 | 26,77,838.00 |
| Operating profit / (loss) before working capital changes | 1,05,02,599.00 | 1,92,75,211.00 |
| Changes in working capital: | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories | (3,78,203.00) | (7,12,366.00) |
| Trade receivables | (69,09,283.00) | (49,38,057.00) |
| Other Current Assets | (16,40,332.00) | (41,855.00) |
| Non current financial assets | 2,33,300.00 | 16,81,196.00 |
| Income tax assets | - | 18,01,666.00 |
| Other Financial assets | 2,33,300.00 | (1,20,470.00) |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 44,32,473.00 | 63,35,795.00 |
| Other current liabilities | 34,89,856.00 | (8,54,351.00) |
| Short-term provisions | (94,249.00) | 18,65,197.00 |
| Non current liabilities | 6,27,896.00 | 4,04,085.00 |
| Cash generated from operations | 1,02,64,057.00 | 2,30,14,855.00 |
| Net income tax (paid) / refunds | (12,48,893.00) | (46,69,140.00) |
| Net cash flow from / (used in) operating activities (A) | 90,15,164.00 | 1,83,45,715.00 |
| B. Cash flow from investing activities | | |
| Capital expenditure on fixed assets, including capital advances | (40,75,447.00) | (2,42,31,801.00) |
| Proceeds from sale of fixed assets | 5,96,550.00 | - |
| Net cash flow from / (used in) investing activities (B) | (34,78,897.00) | (2,42,31,801.00) |
| C. Cash flow from financing activities | | |
| Proceeds from long-term borrowings | 10,47,609.00 | 1,85,18,180.00 |
| Repayment of long-term borrowings | - | - |
| Proceeds from short-term borrowings | (28,54,974.00) | 1,24,85,089.00 |
| Repayment of short-term borrowings | - | - |
| Finance cost | (43,90,214.00) | (26,77,838.00) |
| Net cash flow from / (used in) financing activities (C) | (61,97,579.00) | 2,83,25,431.00 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | (6,61,312.00) | 2,24,39,345.00 |
| Cash and cash equivalents at the beginning of the year | 2,19,38,881.00 | (5,00,464.00) |
| Cash and cash equivalents at the end of the year | 2,12,77,569.00 | 2,19,38,881.00 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | |
| Cash and cash equivalents as per Balance Sheet (Refer Note 16) | | 8,54,351.00 |
| Cash and cash equivalents at the end of the year | | |
| (a) Cash on hand | 1,43,642.00 | 1,06,325.00 |
| (b) Cheques / Drafts on hand & balances with banks in current accounts | 2,08,65,516.00 | 2,17,38,801.00 |
| (d) Others (Credit Cards Swiping) | 2,68,411.00 | 93,755.00 |
| | 2,12,77,569.00 | 2,19,38,881.00 |

In terms of our report attached.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN.013995S)
Sabareesan S.V.
Sabareesan S V
Proprietor
(Membership No. 208917)

Place : Bengaluru
Date : May 20, 2019



For and on behalf of the Board of Directors

R. V. Vangal
Ramesh Vangal
Director
DIN 00064018

S. Subramanian
Anand Subramanian
Director
DIN 00064083

Place : Bengaluru
Date : May 20, 2019

Ayurvedagram Heritage Wellness Centre Private Limited
CIN: U74140KA2003PTC031511
Statement of Changes in Equity for the year ended 31st March, 2019

| | | | |
|-------------------------------|---|-------------------------------|------------------------------|
| a Equity Share Capital | | | |
| | Particulars | As at 31st March, 2019 | As at 31st March 2018 |
| | Balance at the beginning of the year | 2,25,00,000 | 2,25,00,000 |
| | Changes in Equity share capital during the year | - | - |
| | Balance at the end of the year | 2,25,00,000 | 2,25,00,000 |
| b Other equity | | | |
| | Particulars | Reserves and Surplus | |
| (a) | Balance as at 31st March 2017 | 3,23,43,074 | |
| (b) | Profit for the period | 27,38,047 | |
| (c) | Other comprehensive income | - | |
| (d) | Total comprehensive income for the year(b)+(c) | 27,38,047 | |
| (e) | Balance as at 31st March 2018 (a)+(d) | 3,50,81,121 | |
| (f) | Profit for the period | 30,26,995 | |
| (g) | Other comprehensive income | - | |
| (h) | Total comprehensive income for the year(f)+(g) | 30,26,995 | |
| (i) | Balance as at 31st March 2019 (e)+(h) | 3,81,08,116 | |

The accompanying notes form an integral part of the financial statements
In terms of our report attached.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN.013995S)

Sabareesan S.V.
Sabareesan S V
Proprietor 110222
(Membership No. 208917)

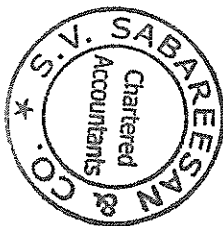
Place : Bengaluru
Date : May 20, 2019

For and on behalf of the Board of Directors

R Vangal
Ramesh Vangal
Director
DIN 00064018

S. Anand
Anand Subramanian
Director
DIN 00064083

Place : Bengaluru
Date : May 20, 2019



Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

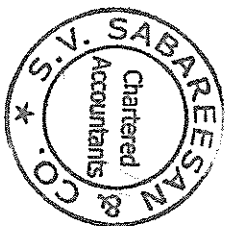
Note 4- Property, Plant and Equipment

| Particulars | Gross Block | | | Accumulated depreciation | | | Net block | | |
|---|----------------------------|-------------|-----------|----------------------------|----------------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| | As at 31 March, 2018 | Additions | Deletions | As at 31 March, 2019 | As at 31 March, 2018 | Depreciation for the year | On account of deletions | As at 31 March, 2019 | As at 31 March, 2018 |
| A. Tangible Assets | | | | | | | | | |
| (a) Land | 1,04,74,545 | - | - | 1,04,74,545 | - | - | - | 1,04,74,545 | 1,04,74,545 |
| (b) Buildings | 10,22,18,962 | - | - | 10,22,18,962 | 6,26,18,735 | 15,55,931 | - | 3,80,44,296 | 3,96,00,532 |
| (c) Furniture and Fixtures | 64,66,376 | 83,178 | - | 65,49,554 | 62,30,690 | 47,607 | - | 62,78,297 | 2,35,686 |
| (d) Vehicles | 31,81,277 | 30,64,565 | 14,71,601 | 47,74,241 | 26,80,972 | 2,44,488 | 12,89,493 | 31,38,274 | 5,00,305 |
| (e) Office equipment | 82,68,397 | 1,79,779 | - | 84,48,176 | 64,82,198 | 6,09,706 | - | 70,91,904 | 18,02,946 |
| (f) Computers | 28,41,569 | 2,21,100 | - | 30,62,669 | 15,84,652 | 3,80,502 | - | 19,65,154 | 12,39,865 |
| (g) Plant & Machinery | - | 25,41,036 | - | 25,41,036 | - | 4,34,848 | - | 4,34,848 | - |
| Total | 13,34,51,126 | 60,89,658 | 14,71,601 | 13,80,69,183 | 7,95,97,247 | 32,73,082 | 12,89,493 | 8,15,80,836 | 5,38,53,879 |
| Previous year | 13,12,52,825 | 21,98,301 | - | 13,34,51,126 | 6,76,06,118 | 1,19,91,129 | - | 7,95,97,247 | 6,36,46,707 |
| B. Capital work-in-progress | | | | | | | | | |
| (a) Capital work-in-progress / Capital advance | 2,31,65,486 | 5,26,826 | 25,41,036 | 2,11,51,276 | - | - | - | 2,11,51,276 | 2,31,65,486 |
| Total | 2,31,65,486 | 5,26,826 | 25,41,036 | 2,11,51,276 | - | - | - | 2,11,51,276 | 2,31,65,486 |
| Previous year | 11,31,986 | 2,20,33,500 | - | 2,31,65,486 | - | - | - | 2,31,65,486 | 11,31,986 |



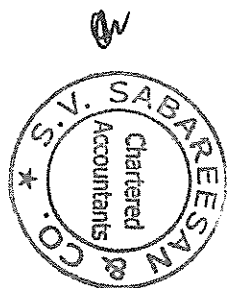
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| | | (Amount in INR) | |
|-----------|---|------------------------|------------------------|
| | Particulars | As at 31 March 2019 | As at 31 March 2018 |
| 5 | Other Financial Asset | | |
| | (a) Security deposits | 4,11,626 | 4,28,026 |
| | (b) Balances with government. authorities | | 2,16,900 |
| | | 4,11,626 | 6,44,926 |
| 6 | Income Tax Assets(Net) | | |
| | MAT credit entitlement - Unsecured, considered good | - | - |
| | | - | - |
| 7 | Inventories | | |
| | (a) Pharmacy- Medicines | 11,07,378 | 7,77,743 |
| | (b) Other Consumables | 15,20,936 | 14,72,368 |
| | | 26,28,314 | 22,50,111 |
| 8 | Trade receivables | | |
| | Outstanding for a period exceeding six months from the date they were due for payment | | |
| | Unsecured, Considered Good | - | 1,15,238 |
| | Other Trade receivables (refer 8(a) below) | 2,15,82,162 | 1,45,57,641 |
| | | 2,15,82,162 | 1,46,72,879 |
| | 8 (a) Trade receivables include debts due from: | | |
| | Private companies in which any director is a Director | 1,36,35,063 | 95,18,355 |
| 9 | Cash and cash equivalents | | |
| | (a) Cash on hand | 1,43,642 | 1,06,325 |
| | (b) Cheques / Drafts on hand & Balance in current accounts | 2,08,65,516 | 2,17,38,801 |
| | (c) Others : | | |
| | Credit Card collection due | 2,68,411 | 93,755 |
| | | 2,12,77,569 | 2,19,38,881 |
| 10 | Other current assets | | |
| | (a) Loans and advances to employees | | |
| | Unsecured, Considered Good | 1,88,498 | 14,237 |
| | (b) Other Advances | 56,604 | |
| | (i) Prepaid expense | - | 1,23,750 |
| | (ii) Advance to Suppliers | 15,63,318 | 30,101 |
| | | 18,08,420 | 1,68,088 |

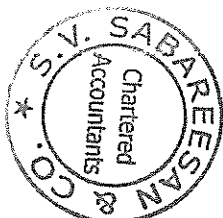


Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

| | | (Amount in Rs.) | |
|-------------|---|--------------------------|--------------------------|
| | Particulars | As at 31st March 2019 | As at 31st March 2018 |
| 11 | Share capital | | |
| | (a) Authorised Capital | | |
| | 2500000 Equity shares of Rs. 10/- each | 2,50,00,000 | 2,50,00,000 |
| | | - | - |
| | (b) Issued Capital | | |
| | 2250000 Equity shares of Rs. 10/- each | 2,25,00,000 | 2,25,00,000 |
| | | - | - |
| | (c) Subscribed and fully paid up | | |
| | 2250000 Equity shares of Rs. 10/- each | 2,25,00,000 | 2,25,00,000 |
| | | 2,25,00,000 | 2,25,00,000 |
| 11.1 | Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: | | |
| | Equity shares with voting rights | | |
| | Opening Balance | 22,50,000 | 22,50,000 |
| | Fresh issue | - | - |
| | Buy back | - | - |
| | Closing Balance | 22,50,000 | 22,50,000 |
| 11.2 | Details of shares held by the holding company, the ultimate holding company, their subsidiaries: | | |
| | Kerala Ayurveda Ltd, the holding company and its | 16,65,000 | 16,65,000 |
| 11.3 | Details of shares held by each shareholder holding more than 5% shares: | | |
| | Class of shares / Name of shareholder | | |
| | Equity shares with voting rights(in Numbers) | | |
| | M/s Kerala Ayurveda Ltd | 16,64,996 | 16,64,996 |
| | % holding | 73.99% | 73.99% |
| | Mrs.Sangeetha Arunkumar | 2,92,500 | 2,92,500 |
| | % holding | 13.00% | 13.00% |
| | Mr. S K Arunkumar | 2,92,500 | 2,92,500 |
| | % holding | 13.00% | 13.00% |
| 12 | Other Equity | | |
| | Reserves and Surplus | 3,81,08,116 | 3,50,81,122 |
| 12.1 | Particulars | | |
| | Balance at the beginning of the year | 3,50,81,121 | 3,23,43,074 |
| | Profit for the year | 30,26,995 | 27,38,047 |
| | Other Comprehensive income | | |
| | Balance at the end of the year | 3,81,08,116 | 3,50,81,121 |



| | | Amount in INR | |
|--|---|------------------------|------------------------|
| | Particulars | As at 31 March 2019 | As at 31 March 2018 |
| 13 | Long-term borrowings | | |
| | Loans & advances from related parties | | |
| | Unsecured | | |
| | From Holding Company | | |
| | Kerala Ayurveda Limited | 1,95,65,789 | 1,85,18,180 |
| | | 1,95,65,789 | 1,85,18,180 |
| 14 | Long-term Provisions | | |
| | Provision for employee benefits | 27,41,312 | 21,13,416 |
| | | 27,41,312 | 21,13,416 |
| 16 | Short-term borrowings | | |
| | Unsecured # | | |
| | TATA Capital Financial Services Limited | 18,33,390 | 23,84,958 |
| | Bajaj Finance Limited | 25,25,000 | 25,25,000 |
| | Capital First Limited | 19,00,244 | 43,68,153 |
| | From banks # | | |
| | Kotak Mahindra Bank Ltd | 4,95,048 | 32,06,978 |
| | Others | 28,76,433 | - |
| | | 96,30,115 | 1,24,85,089 |
| # The aforesaid unsecured loans from financial institutions are supported by personal guarantee of two directors of the Company. | | | |
| 17 | Trade payables | | |
| | Dues to micro enterprises and small enterprises | - | - |
| | Dues to other than micro and small enterprises | 1,61,28,687 | 1,16,96,215 |
| | | 1,61,28,687 | 1,16,96,215 |
| 18 | Other current liabilities | | |
| | (a) Other payables | | |
| | i) TDS Payable | 1,94,570 | 7,99,006 |
| | ii) Goods & Service Tax | 1,29,977 | - |
| | ii) Tips collected & payable | 57,714 | 23,856 |
| | iv) Provident fund payable | 1,69,358 | 1,76,450 |
| | v) Professional Tax Payable | 11,000 | 5,800 |
| | vi) ESI collected and Payable | 43,761 | 48,179 |
| | vii) Rent Payable | 26,300 | - |
| | viii) Provision for Gratuity - Current | 1,10,222 | 84,976 |
| | (b) Advance from customers | 64,07,905 | 13,68,231 |
| | (c) Other Payables | 1,26,728 | - |
| | (d) Other Payable | | |
| | Salaries and Wages Payable | 14,34,552 | 27,15,733 |
| | | 87,12,087 | 52,22,231 |
| 19 | Short-term provisions | | |
| | Provision for Expenses | 21,15,305 | 2,31,512 |
| | Provision for tax | 13,85,790 | 33,63,832 |
| | | 35,01,095 | 35,95,344 |



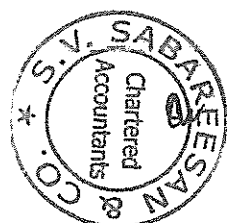
Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

| Particulars | Amount in INR | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2019 | Year ended 31 March 2018 |
| 20 Revenue from Operations | | |
| (a) Revenue from rendering of healthcare services | 6,71,74,544 | 6,76,92,276 |
| (b) Revenue from sale of traded goods | 80,39,675 | 60,62,409 |
| (c) Other operating revenue | 23,25,801 | 26,39,367 |
| | 7,75,40,020 | 7,63,94,052 |
| 21 Cost of materials consumed | | |
| Raw Material | | |
| Opening stock | 14,72,368 | 7,98,359 |
| Add: Purchases | 57,26,564 | 53,34,812 |
| Less: Closing stock | 15,20,936 | 14,72,368 |
| Cost of material consumed(A+B) | 56,77,996 | 46,60,803 |
| 22 Purchases | | |
| Purchase of Medicine | 66,96,140 | 49,48,884 |
| | 66,96,140 | 49,48,884 |
| 23 Changes in inventories of Traded Items and Provision & Consumables | | |
| <u>Inventories at the end of the year:</u> | | |
| Stock of Medicines | 11,07,378 | 7,77,743 |
| | 11,07,378 | 7,77,743 |
| <u>Inventories at the beginning of the year:</u> | | |
| Stock of Medicines | 7,77,743 | 7,39,386 |
| | 7,77,743 | 7,39,386 |
| Net (increase) / decrease | (3,29,635) | (38,357) |
| 24 Employee benefits expense | | |
| Salaries and wages | 2,88,56,426 | 2,04,02,536 |
| Contributions to provident funds | 18,26,766 | 11,07,072 |
| Gratuity | 6,53,142 | 4,89,061 |
| Staff welfare expenses | 11,89,328 | 15,63,569 |
| | 3,25,25,662 | 2,35,62,238 |
| 25 Finance costs | | |
| Interest expense on: | | |
| (i) Borrowings | 37,37,461 | 7,05,267 |
| (ii) Others | 6,52,753 | 19,72,571 |
| | 43,90,214 | 26,77,838 |
| 26 Other expenses | | |
| Power and fuel | 11,51,147 | 11,49,413 |
| Repairs and maintenance - Buildings | 23,87,762 | 23,31,039 |
| Repairs and maintenance - Others | 34,72,943 | 9,68,652 |
| Rates and taxes | 17,20,374 | 7,69,061 |
| Communication | 8,75,507 | 7,67,857 |
| Marketing Expenses | 32,29,550 | 17,72,481 |
| Travelling and conveyance | 4,92,581 | 3,36,874 |
| Treatment Expense | 59,23,253 | 98,85,647 |
| Referral expenses | 46,575 | 1,06,180 |
| Security Charges | 20,07,370 | 21,46,493 |
| Legal and professional (Refer Note below) | 5,94,970 | 7,35,201 |
| General & Administration expense | 1,50,785 | 30,16,375 |
| | 2,20,52,817 | 2,39,85,273 |

Notes:

(i) Payments to auditors net of levies comprises:

| | | |
|-----------------------------------|-----------------|-----------------|
| Statutory audit | 1,00,000 | 1,00,000 |
| Tax audit / TP Audit | 75,000 | 30,000 |
| Certification | 3,500 | 12,500 |
| Re-imbursement of expenses/Others | 9,090 | 6,575 |
| | 1,87,590 | 1,49,075 |



AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED

15 Computation of Deferred Tax as at 31st March 2019

| Particulars | (Amount in INR) | | |
|-------------------------------------|------------------------------------|-------------------------------|---------------------------|
| | For the year ended 31st March 2019 | | |
| | Opening Balance | Recognised in Profit and Loss | Closing Balance |
| (a) Deferred Tax Liabilities | | | |
| Depreciation | (6,161,958) | 871,976 | (5,289,982) |
| (b) Deferred Tax Assets | | | |
| Provision for Gratuity | 679,303 | 62,096 | 741,399 |
| Prov for PL encashment | | 88,071 | 88,071 |
| Net Tax Assets/(Liabilities) | <u>(5,482,655)</u> | <u>1,022,144</u> | <u>(4,460,512)</u> |

| Particulars | For the year ended 31st March 2018 | | |
|-------------------------------------|------------------------------------|-------------------------------|---------------------------|
| | Opening Balance | Recognised in Profit and Loss | Closing Balance |
| (a) Deferred Tax Liabilities | | | |
| Depreciation | (8,811,782) | 2,649,823 | (6,161,958) |
| (b) Deferred Tax Assets | | | |
| Provision for Gratuity | 528,183 | 151,120 | 679,303 |
| Net Tax Assets/(Liabilities) | <u>(8,283,599)</u> | <u>2,800,943</u> | <u>(5,482,655)</u> |

