

SUSHRUTA MEDICAL AID AND RESEARCH HOSPITAL LIMITED

CIN: U85110KA1982PLC004845

Registered Office: 202, Rashtriya Vidyalaya Road, Bengaluru – 560 004, Karnataka

Tel: 080-41187600 | E-mail: office@bangalorehospital.co.in | Website: www.bangalorehospitals.in

BOARD'S REPORT

To,

The Members,

Sushruta Medical Aid and Research Hospital Limited

Your Directors present the 44th Board's Report of the Company, together with the audited financial statements for the financial year ended 31st March, 2026.

1. CORPORATE OVERVIEW

The Company was incorporated on 8th July, 1982 under the Companies Act, 1956 as a public limited company. It runs a multi-speciality hospital, "The Bangalore Hospital", at Bengaluru and renders hospital and health care services, including diagnosis, treatment and pharmacy services. There was no change in the nature of the business of the Company during the year.

2. FINANCIAL RESULTS

(Amount in Rs.)

Particulars	Year ended 31-03-2026	Year ended 31-03-2025
Revenue from operations	44,16,61,167	28,33,50,001
Other income	11,05,555	9,93,060
Total income	44,27,66,722	28,43,43,061
Profit / (loss) before depreciation, finance costs, exceptional items and tax	12,47,56,958	5,14,48,422
Less: Depreciation and amortisation	10,49,15,422	6,19,18,859
Profit / (loss) before finance costs, exceptional items and tax	1,98,41,536	(1,04,70,436)
Less: Finance costs	70,39,176	1,00,63,226
Profit / (loss) before exceptional items and tax	1,28,02,360	(2,05,33,663)
Less: Exceptional items – prior period expenses	1,58,722	61,325
Profit / (loss) before tax	1,26,43,638	(2,05,94,988)
Less: Current tax	35,61,616	–
Less: Deferred tax	10,64,43,207	–
Profit / (loss) for the year	(9,73,61,186)	(2,05,94,988)
Earnings per share – basic and diluted (Rs.)	(31.67)	(6.70)

The financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. STATE OF THE COMPANY'S AFFAIRS

Revenue from operations increased by 55.87% to Rs. 44,16,61,167 from Rs. 28,33,50,001 in the previous year. Hospital income was Rs. 40,84,69,119 and pharmacy income Rs. 3,31,92,048. The Company earned a profit before exceptional items and tax of Rs. 1,28,02,360, against a loss of Rs. 2,05,33,663 in the previous year. After a deferred tax charge of Rs. 10,64,43,207 and current tax of Rs. 35,61,616, the loss for the year was Rs. 9,73,61,186, against a loss of Rs. 2,05,94,988 in the previous year.

4. TRANSFER TO RESERVES

In view of the loss for the year, no amount is proposed to be transferred to any reserve (Section 134(3)(j)).

5. DIVIDEND

In view of the loss for the year, your Directors do not recommend any dividend for the financial year 2025-26. No interim dividend was declared during the year.

6. CHANGE IN REGISTERED OFFICE AND NATURE OF BUSINESS

There was no change in the Registered Office of the Company or in the nature of its business during the year.

7. SHARE CAPITAL

There was no change in the capital structure during the year. The share capital of the Company as at 31st March, 2026 was as follows:

Particulars	No. of equity shares	Face value per share (Rs.)	Amount (Rs.)
Authorised share capital	60,00,000	10	6,00,00,000
Issued, subscribed and paid-up share capital (fully paid up)	30,74,163	10	3,07,41,630

The Company did not issue any shares with differential voting rights, sweat equity shares, employee stock options or bonus shares, and did not buy back any shares, during the year.

8. HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under review, the Company did not have any **holding, subsidiary, joint venture or associate company**. Further, **no company became or ceased to be a holding, subsidiary, joint venture or associate company of the Company during the year**.

9. RELATED PARTY TRANSACTIONS

During the financial year 2025-26, all contracts and arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis. The Company had the following transactions with related parties within the meaning of Section 2(76) of the Act, being entities in which Dr. Krishna Prasad Surapaneni, Director, is interested

(a) Sana Healthcare Carrollton LLP, USA – Healthcare services rendered by the Company of Rs. 12,23,21,174 during the year, against which Rs. 12,23,68,868 was received; balance receivable as at 31-03-2026: Rs. 23,011; and

(b) Sana Healthcare LLP, USA – no transaction during the year; Rs. 21,48,85,806 was payable for import of capital goods as at 31-03-2026.

The transaction at (a) exceeds ten per cent of the turnover of the Company and is a material contract under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014. Being in the ordinary course of business and on an arm's length basis, it did not require the approval of the Members. Its particulars are given in Form AOC-2 annexed as Annexure A. There were no contracts or arrangements with related parties that were not on an arm's length basis.

10. LOANS, GUARANTEES AND INVESTMENTS (SECTION 186)

During the year under review, the Company has not granted any loan, provided any guarantee or security, or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

Accordingly, the provisions of Section 186 of the Companies Act, 2013 relating to loans, guarantees, securities and investments made by the Company are not applicable to the Company during the year under review.

The borrowings availed by the Company, including the Term Loan and Overdraft facility from Bank of Baroda, loans from Directors and Inter-Corporate Loans, as disclosed in the financial statements, represent borrowings/loans received by the Company and do not constitute loans, guarantees, securities or investments made by the Company under Section 186 of the Companies Act, 2013.

11. MATERIAL CHANGES AND COMMITMENTS AFTER THE YEAR-END

There have been **no material changes or commitments affecting the financial position of the Company** between the end of the financial year and the date of this Report, pursuant to Section 134(3)(l) of the Companies Act, 2013.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board comprises the following Directors:

Sl.	Name	DIN	Designation	Date of first appointment
1.	Dr. Krishna Prasad Surapaneni	02036963	Director	19-11-2021
2.	Dr. Abhishek Mannem	09708706	Director	07-10-2022
3.	Mrs. Surapaneni Vimaladevi	03327290	Director	07-10-2022

There was no change in the composition of the Board during the year.

In accordance with Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Krishna Prasad Surapaneni (DIN: 02036963), Director, retires by rotation at the ensuing 44th Annual General Meeting and, being eligible, offers himself for re-appointment.

As the paid-up share capital of the Company is below Rs. 10 crore, the Company is not required to appoint Key Managerial Personnel under Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

13. MEETINGS OF THE BOARD

During the financial year ended **31 March 2026**, **6 (Six) meetings of the Board of Directors** were convened and held in compliance with the applicable provisions of **Section 173 of the Companies Act, 2013**. The details of the meetings held during the year are as follows:

Sl.	Meeting	Date	Directors on the Board	Directors present
1.	195th	02-06-2025	3	1. Dr. Abhishek Mannem 2. Mrs. Surapaneni Vimaladevi
2.	196th	20-08-2025	3	1. Dr. Krishna Prasad Surapaneni 2. Dr. Abhishek Mannem 3. Mrs. Surapaneni Vimaladevi
3.	197th	17-12-2025	3	1. Dr. Krishna Prasad Surapaneni 2. Dr. Abhishek Mannem 3. Mrs. Surapaneni Vimaladevi
4.	198th	16-01-2026	3	1. Dr. Krishna Prasad Surapaneni 2. Dr. Abhishek Mannem 3. Mrs. Surapaneni Vimaladevi
5.	199th	12-02-2026	3	1. Dr. Krishna Prasad Surapaneni 2. Dr. Abhishek Mannem 3. Mrs. Surapaneni Vimaladevi
6.	200th	26-03-2026	3	1. Dr. Krishna Prasad Surapaneni 2. Dr. Abhishek Mannem 3. Mrs. Surapaneni Vimaladevi

The Company is not required to constitute an **Audit Committee, Nomination and Remuneration Committee or Stakeholders Relationship Committee** pursuant to the applicable provisions of **Sections 177 and 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014**.

14. MEETINGS OF THE MEMBERS

The 43rd Annual General Meeting was held on 29-09-2025.

By postal ballot under Section 110 of the Companies Act, 2013 (notice dated 02-06-2025; voting from 16-06-2025 to 15-07-2025; Scrutiniser's report dated 18-07-2025), the Members approved, each with 95.43% of the valid votes cast: (a) an Ordinary Resolution for the appointment of M Panigrahi & Co., Chartered Accountants, as Statutory Auditors in the casual vacancy; (b) a Special Resolution under Section 180(1)(c) for borrowing up to Rs. 34,00,00,000; and (c) a Special Resolution under Section 180(1)(a) for creation of security on the present and future properties of the Company in favour of lenders.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- (b) they have 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) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis; and
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws, and such systems were adequate and operating effectively.

16. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is committed to providing a safe and conducive work environment to all its employees. The Company has a zero-tolerance policy towards sexual harassment at the workplace and has put in place a policy in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules made thereunder.

Pursuant to the requirements of the POSH Act, an Internal Complaints Committee (ICC) has been constituted to deal with complaints, if any, relating to sexual harassment at the workplace.

During the financial year ended 31st March 2026:

- Number of complaints received: Nil
- Number of complaints disposed of during the year: Nil
- Number of cases pending as at end of the year: Nil

Your Directors state that there were no cases filed or pending pursuant to the POSH Act during the financial year 2025-26.

17. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Company is fully compliant with the provisions of the Maternity Benefit Act, 1961. Maternity leave and related benefits are provided to eligible women employees in accordance with the applicable legal requirements. The Company ensures that all maternity related benefits are administered fairly and in a manner that promotes the health, dignity, and well-being of women employees.

18. EMPLOYEES

Number of employees as on 31-03-2026 (Rule 8(5) of the Companies (Accounts) Rules, 2014):

Female 107

Male 83

Transgender NIL;

19. EMPLOYEE RELATIONS

Relations with employees remained cordial throughout the year. The Board places on record its appreciation of the commitment of the doctors, nurses, technicians and staff of the hospital.

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company is not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. However, pursuant to Section 134(3)(e) of the Act, the Board has adopted the following policy on the appointment and remuneration of Directors, covering the criteria referred to in Section 178(3):

- (a) Qualifications – a person proposed for appointment as a Director should possess appropriate qualifications, experience and expertise in medicine, healthcare administration, finance, law or management relevant to the business of the Company, and should not be disqualified under Section 164 of the Act;
- (b) Positive attributes – integrity, high ethical standards, independent judgement, commitment to devote sufficient time and attention to the affairs of the Company, and the ability to act in the interests of the Company and its stakeholders;
- (c) Independence – the Company is not required to appoint Independent Directors under Section 149(4) of the Act; where any such appointment is made, the person shall meet the criteria of independence in Section 149(6) of the Act; and
- (d) Remuneration – remuneration, if any, payable to Directors shall be determined by the Board, subject to the approval of the Members where required, and within the limits of Section 197 read with Schedule V of the Act.

No remuneration, commission or sitting fees were paid to the Directors during the year in their capacity as Directors.

21. RISK MANAGEMENT

The Board reviews the risks faced by the Company, principally liquidity and working capital, timely payment of statutory dues, regulatory compliance, clinical and operational risks, and the measures to address them (Section 134(3)(n)).

22. INTERNAL FINANCIAL CONTROLS

The Company has in place internal financial controls with reference to the financial statements, commensurate with its size and the nature of its business, as required to be reported under Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014. These controls comprise the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the 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. The Board has taken note of the matters reported by the Auditors in paragraph 23.2 below and is strengthening the related controls.

23. AUDITORS AND AUDITORS' REPORT

23.1 Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M Panigrahi & Co., Chartered Accountants (FRN: 324889E), Bengaluru, who were appointed by the Members by postal ballot on 15-07-2025 to fill the casual vacancy caused by the resignation of the previous auditors, were appointed as Statutory Auditors at the 43rd Annual General Meeting held on 29-09-2025 for a term of five consecutive years, from the conclusion of that meeting until the conclusion of the 48th Annual General Meeting to be held in the year 2030.

23.2 Board's comments on the Auditors' Report (Section 134(3)(f)(i))

The Auditors' Report for the financial year 2025-26 contains the following [qualifications / emphasis of matter, by reference to which paragraphs 1(a) and 1(d) of the Report on Other Legal and Regulatory Requirements are qualified. The Board's explanations under Section 134(3)(f)(i) are as follows:

Item in the Auditors' Report	Board's explanation
(a) Inconsistency in accounting for gratuity as required by AS 15, Employee Benefits	Management to state the status of the actuarial valuation and the accounting treatment adopted.
(b) Non-compliance with the Payment of Bonus Act, 1965 in respect of minimum bonus for FY 2025-26	Bonus payable of Rs. 31,47,883 is shown in the accounts at both year-ends. Management to state the dates of payment or the plan to pay.
(c) Non-compliance with the Income-tax Act, 1961 in respect of payment of tax deducted at source for FY 2025-26	TDS payable was Rs. 1,37,71,161 at 31-03-2026 (Rs. 62,68,923 at 31-03-2025). Management to state the amounts remitted after the year-end, with dates and interest paid.
(d) Delay in remitting provident fund contributions deducted from employees	PF payable was Rs. 1,13,11,699 at 31-03-2026 (Rs. 83,62,230 at 31-03-2025). Management to state the amounts remitted after the year-end and the position on interest and damages.
(e) Non-compliance with FEMA in respect of payment for import of capital goods	Rs. 21,48,85,806 is payable to Sana Healthcare LLP, USA, with no movement during the year. Management to state the steps taken with the AD bank to regularise the delay. The Auditors' Report cites the 2016 Regulations, which were superseded by the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023 – the auditors to correct the reference.

23.3 Reporting of frauds by the Auditors

The Auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013 during the year.

23.4 Cost records and cost audit

The Company's turnover for the financial year 2024-25 was below Rs. 35 crore. The maintenance of cost records under Section 148(1) read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 was therefore not required for the financial year 2025-26, and cost audit was not applicable. As the turnover for the financial year 2025-26 exceeds Rs. 35 crore, the Company will maintain cost records for health services (Table B) from the financial year 2026-27.

23.5 Internal audit and secretarial audit

The Company does not meet the thresholds in Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 (internal audit) or in Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (secretarial audit), and these provisions do not apply to it.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of energy

- (i) Steps taken or impact on conservation of energy: the Company's operations are not energy-intensive. Adequate measures are taken to conserve energy, including [use of LED lighting, energy-efficient air-conditioning and equipment, and switching off equipment when not in use .
- (ii) Steps taken for utilising alternate sources of energy: Nil
- (iii) Capital investment on energy conservation equipment: Nil

B. Technology absorption

- (i) Efforts made towards technology absorption: during the year, the Company installed imported medical equipment of Rs. 1,17,00,00,000
- (ii) Benefits derived, such as product improvement, cost reduction, product development or import substitution: improved diagnostic and treatment capability
- (iii) Imported technology (last three years): medical equipment imported and installed during the financial year 2025-26, which has been fully absorbed and is in use.
- (iv) Expenditure incurred on Research and Development: Nil –

(C) Foreign exchange earnings and outgo (actual inflows and outflows)	
Particulars	FY 25-26
Foreign exchange earned	Rs. 12,23,68,868
Foreign exchange outgo	Nil

25. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 did not apply to the Company for the financial year 2025-26, as it had a net loss for the financial year 2024-25 and did not meet the net worth or turnover thresholds.

26. VIGIL MECHANISM

Section 177(9) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 does not apply to the Company, as it has not accepted deposits from the public and its borrowings from banks and public financial institutions do not exceed Rs. 50 crores.

27. DEPOSITS

During the year under review, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, no deposits remained unpaid or unclaimed at the end of the year, there was no default in the repayment of deposits or the payment of interest thereon, and there were no deposits that were not in compliance with the requirements of Chapter V of the Act (Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014).

Pursuant to Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company has received unsecured loans from its Directors, the amount outstanding being Rs. 2,45,18,827 as at 31-03-2026 (Rs. 11,33,77,169 as at 31-03-2025). The Directors concerned have furnished declarations in writing that the amounts were not given out of funds acquired by them by borrowing or by accepting loans or deposits from others, and the amounts are accordingly excluded from the definition of deposit. Inter-corporate loans of Rs. 2,71,13,826 outstanding as at 31-03-2026 are excluded under Rule 2(1)(c)(vi).

28. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, no amount was transferred by the Company to the **Investor Education and Protection Fund (IEPF)**.

The Company had the following unpaid/unclaimed dividend amounts outstanding:

Particulars	Amount (Rs.)
Unpaid Dividend – FY 2015-16	–
Unpaid Dividend – FY 2016-17	–
Unpaid Dividend – FY 2017-18	1,13,263
Unpaid Dividend – FY 2018-19	1,07,367
Unpaid Dividend – FY 2020-21 (Interim)	1,44,826
Total	3,65,456

The unclaimed dividend for FY 2017-18 amounting to Rs. 1,13,263, which became due for transfer to the IEPF upon completion of seven years, was required to be transferred in accordance with Section 124(5) of the Companies Act, 2013. As per the information provided, the Company had not transferred the said amount.

The corresponding shares relating to such unpaid dividend, as applicable under Section 124(6) of the Companies Act, 2013, are also required to be transferred to the IEPF in accordance with the applicable provisions.

The Company is taking steps to transfer the said unclaimed dividend and the corresponding shares to the IEPF and to file Forms IEPF-1 and IEPF-4, as applicable.

The unclaimed dividend for FY 2018-19 amounting to Rs. 1,07,367 is due for transfer to the IEPF upon completion of the prescribed period in October/November 2026.

The unpaid dividend for FY 2020-21 (Interim) amounting to Rs. 1,44,826 continues to remain unclaimed as at the date of this Report.

29. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company in Form MGT-7 for the financial year 2025-26 is placed on the website of the Company at (www.bangalorehospitals.in).

30. OTHER DISCLOSURES

- (a) No significant or material orders were passed by any regulator, court or tribunal impacting the going concern status of the Company or its future operations.
- (b) No application was made, and no proceeding was pending, under the Insolvency and Bankruptcy Code, 2016 by or against the Company during the year.
- (c) There was no one-time settlement with any bank or financial institution, and the disclosure of any difference in valuation does not arise.
- (d) The statement on declarations by Independent Directors under Section 149(6) and the annual evaluation of the Board under Section 134(3)(p) do not apply to the Company.
- (e) The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and the Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA Circulars.

31. ACKNOWLEDGEMENTS

Your Directors thank the patients, Members, bankers, suppliers, regulatory authorities and other business associates for their continued support and co-operation.

For and on behalf of the Board of Directors

SUSHRUTA MEDICAL AID AND RESEARCH HOSPITAL LIMITED

Krishna Prasad Surapaneni
Digitally signed by Krishna Prasad Surapaneni
Date: 2026.10.07 11:07:09 +05'30

Dr. Krishna Prasad Surapaneni
Director
DIN: 02036963

Abhishek Mannem
Digitally signed by Abhishek Mannem
Date: 2026.10.07 11:06:41 +05'30

Dr. Abhishek Mannem
Director
DIN: 09708706

Place: Bengaluru

Date: 21-09-2026

ANNEXURE A TO THE BOARD'S REPORT

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 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 transactions under the third proviso thereto.

Sl.	Particulars	Details
1.	Details of contracts or arrangements or transactions not at arm's length basis	Nil
2.	Details of material contracts or arrangements or transactions at arm's length basis	
(a)	Name of the related party and nature of relationship	Sana Healthcare Carrollton LLP, USA – nature of relationship with Dr. Krishna Prasad Surapaneni, Director,
(b)	Nature of contracts/arrangements/transactions	Rendering of healthcare services
(c)	Duration of the contracts/arrangements/transactions	Through the year at Arms length Basis
(d)	Salient terms of the contracts or arrangements or transactions, including the value, if any	Rs. 12,23,21,174 during FY 2025-26; As per Mutual Agreement
(e)	Date(s) of approval by the Board, if any	02-06-2025
(f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Krishna Prasad Surapaneni
Digitally signed by Krishna Prasad Surapaneni
Date: 2026.10.07 11:17:59 +05'30'

Dr. Krishna Prasad Surapaneni
Director
DIN: 02036963
Place: Bengaluru
Date: 21-09-2026

Abhishek Mannem
Digitally signed by Abhishek Mannem
Date: 2026.10.07 11:18:27 +05'30'

Dr. Abhishek Mannem
Director
DIN: 09708706