No.13, Sampurna Chambers, FF-3, Vasavi Temple Street, V V Puram, Bengaluru 560 004 CIN AAI-0262

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUCHIRAYU HEALTH CARE SOLUTIONS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SUCHIRAYU HEALTH CARE SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 2023, and its profit, total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditor's report thereon.

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

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

S G M & Associates LLP ★ Bangalore ★ Chartered Accountants

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 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.

S G M & Associates LLP
Bangalore
Chartered Accountants

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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, Statement of Changes in Equity and the Statement of Cash Flows 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the current year and reporting under section 197 of the Act is not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

S G M & Associates LLP ★ Bangalore ★ Chartered Accountants

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.

iv. **(a)** The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid during the year by the Company, hence is in compliance with section 123 of the Companies Act, 2013.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **S G M & Associates LLP**
Chartered Accountants
LLP's Registration No. S200058

S G M & Associates LLP Bangalore Chartered Accountants

S Vishwamurthy
Partner
Membership No. 215675

Bengaluru, 24 May 2023
UDIN: 23215675BGXOBD7829

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SUCHIRAYU HEALTH CARE SOLUTIONS LIMITED of even date)

Report on the Internal Financial Controls with reference to Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("Act")

We have audited the internal financial controls with reference to financial statements of **SUCHIRAYU HEALTH CARE SOLUTIONS LIMITED** ("Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

S G M & Associates LLP
Bangalore
Chartered Accountants

company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **S G M & Associates LLP**
Chartered Accountants
LLP's Registration No. S200058

S G M & Associates LLP
Bangalore
Chartered Accountants

S Vishwamurthy
Partner
Membership No. 215675

Bengaluru, 24 May 2023
UDIN: 23215675BGXOBD7829

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SUCHIRAYU HEALTH CARE SOLUTIONS LIMITED of even date)

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) **(A)** The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment), are held in the name of the Company as at the balance sheet date. Based on the information provided by the Company, the immovable properties of land and buildings whose title deeds have been pledged as security for loans, are held in the name of the Company.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of inventories:

(a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company during the year has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

S G M & Associates LLP Bangalore Chartered Accountants

(v) According to the information and explanations given to us, during the year the Company has not accepted any deposit or amount which are deemed to be deposit. Hence reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax and Goods and Services Tax as on 31 March 2023 on account of disputes.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) **(a)** In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company does not have any subsidiary, hence reporting under (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) **(a)** The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable.

(xi) **(a)** No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

S G M & Associates LLP Bangalore Chartered Accountants

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There were no whistle-blower complaints received during the year by the Company and hence reporting under (xi)(c) of the Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) **(a)** In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a) and (b) of the Order is not applicable.

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended. Accordingly, the requirements of clause 3(xvi)(d) of the Order are not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and had incurred cash losses during the immediately preceding financial year.

(xviii) During the year there is resignation of the statutory auditor of the Company and there were no objection or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

S G M & Associates LLP Bangalore Chartered Accountants

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **S G M & Associates LLP**
Chartered Accountants
LLP's Registration No. S200058

S G M & Associates LLP Bangalore Chartered Accountants

S Vishwamurthy
Partner
Membership No. 215675

Bengaluru, 24 May 2023
UDIN: 23215675BGXOBD7829

Suchirayu Health Care Solutions Limited

Balance Sheet as at 31 March 2023

(Amount in ₹ Millions, except for shares data or as otherwise stated)

Particulars	Note No.	As at 31.Mar.2023	As at 31.Mar.2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	904.28	932.79
Financial assets			
Other financial assets	4	9.93	9.71
Income tax assets (net)	5	12.97	35.33
Other non-current assets	6	7.51	-
Total non - current assets		934.69	977.83
Current assets			
Inventories	7	22.35	10.03
Financial assets			
Trade receivables	8	70.35	50.06
Cash and cash equivalents	9	52.21	86.84
Loans	10	2.25	1.69
Other financial assets	11	1.05	0.76
Other current assets	12	11.42	23.70
Total current assets		159.63	173.08
TOTAL ASSETS		1,094.32	1,150.91
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	446.00	446.00
Other equity	14	(526.35)	(577.81)
Total equity		(80.35)	(131.81)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	972.26	1,007.26
Provisions	16	6.52	4.25
Total non-current liabilities		978.78	1,011.51
Current liabilities			
Financial liabilities			
Borrowings	17	35.66	0.44
Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		3.14	0.68
Total outstanding dues of creditors other than micro enterprises and small enterprises		120.26	178.03
Other financial liabilities	19	10.64	7.20
Other current liabilities	20	19.72	80.33
Provisions	21	6.47	4.53
Total current liabilities		195.89	271.21
Total liabilities		1,174.67	1,282.72
TOTAL EQUITY AND LIABILITIES		1,094.32	1,150.91

See accompanying notes forming part of the financial statements

In terms of our report attached

For S G M & Associates LLP
Chartered Accountants
LLP Reg No. S200058

S G M & Associates LLP Bangalore Chartered Accountants

S Vishwamurthy
Partner
Membership No: 215675

Bengaluru, 24 May 2023

For and on behalf of Board of Directors
Suchirayu Health Care Solutions Limited

Dr. Rajendra Dugani
Director
DIN: 1652214

Srinivasa V Raghavan
Director
DIN : 1803376

Ashwini Kalburgi
Company secretary

Basavaraj Parnatti
Chief financial officer

Bengaluru, 24 May 2023

Suchirayu Health Care Solutions Limited Hubli

Suchirayu Health Care Solutions Limited

Statement of Profit and Loss for the year ended 31 March 2023

(Amount in ₹ Millions, except for shares data or as otherwise stated)

	Particulars	Note No.	For the year ended 31.Mar.2023	31.Mar.2022
I	Revenue from operations	22	852.15	831.34
II	Other income	23	5.76	14.17
III	**Total income (I+II)**		857.91	845.51
IV	**Expenses**			
	Purchases of medical and non-medical items		214.83	51.01
	Changes in inventories	24	(12.32)	(6.83)
	Employee benefits expense	25	106.80	40.20
	Finance costs	26	113.24	105.98
	Depreciation and amortisation expense	27	52.77	49.08
	Other expenses	28	329.88	583.90
	Total expenses (III)		805.20	823.34
V	**Profit before tax (III-IV)**		52.71	22.17
VI	**Tax expense**	29		
	Current tax		-	-
	Deferred tax expense/ (credit)		-	-
	Total tax expense		-	-
VII	**Profit for the year (V-VI)**		52.71	22.17
VIII	**Other comprehensive (loss)/ income**			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurements of defined benefit plans gain / (loss)		(1.25)	(1.72)
	Income tax effect		-	-
	Other comprehensive (loss)/ income for the year, net of income tax		(1.25)	(1.72)
IX	**Total comprehensive income for the year (VIII)**		51.46	20.45
	Earnings per equity share (nominal value of share ₹ 100)			
	Basic and diluted (in ₹)	30	1.18	0.93

See accompanying notes forming part of the financial statements

As per our report of even date attached

In terms of our report attached

For S G M & Associates LLP

Chartered Accountants

LLP Reg No. S200058

S G M & Associates LLP Bangalore Chartered Accountants

S Vishwamurthy

Partner

Membership No: 215675

Bengaluru, 24 May 2023

For and on behalf of Board of Directors

Suchirayu Health Care Solutions Limited

Dr. Rajendra Dugani

Director

DIN: 1652214

Srinivasa V Raghavan

Director

DIN: 1803376

Ashwini Kalburgi

Company secretary

Basavaraj Parnatti

Chief financial officer

Bengaluru, 24 May 2023

Suchirayu Health Care Solutions Limited Hubli

Suchirayu Health Care Solutions Limited
Statement of Cashflow for the year ended 31 March 2023
(Amount in ₹ Millions, except for shares data or as otherwise stated)

Particulars	For the year ended 31.Mar.2023	For the year ended 31.Mar.2022
Cash flows from operating activities		
Profit before tax for the year	52.71	22.17
Adjustments for:		
Finance costs	109.47	103.38
Provision for expected credit loss and bad debts written-off	-	13.24
Interest income	(3.41)	(0.54)
Provision no-longer required written back	(2.11)	(12.39)
Depreciation and amortisation expense	52.77	49.08
Operating profit before working capital changes	209.43	174.94
Adjustments for (increase)/decrease in operating assets		
Trade receivables	(18.18)	(28.93)
Inventories	(12.32)	(6.83)
Financial and other assets	4.65	(17.55)
Adjustments for increase/(decrease) in operating liabilities		
Trade payable	(55.31)	(110.41)
Provisions	2.96	6.87
Financial and other liabilities	(60.61)	5.79
Cash generated from operations	70.62	23.88
Income taxes paid (net of refunds)	23.45	(23.46)
Net cash generated by operating activities (A)	94.07	0.42
Cash flows from investing activities		
Interest income	2.03	-
Payments for property, plant and equipment	(24.26)	(27.21)
Investment in bank deposits	-	-
Net cash used in investing activities (B)	(22.23)	(27.21)
Cash flows from financing activities		
Proceeds from issue of equity shares	-	330.00
Repayment of borrowings	(0.44)	(95.37)
Finance cost paid	(106.03)	(140.09)
Net cash used in financing activities (C)	(106.47)	94.54
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(34.63)	67.75
Cash and cash equivalents at the beginning of the year	86.84	19.09
Cash and cash equivalents at the end of the year	52.21	86.84

See accompanying notes forming part of the financial statements
As per our report of even date attached
In terms of our report attached

For S G M & Associates LLP
Chartered Accountants
LLP Reg No. S200058

S G M & Associates LLP
Bangalore
Chartered Accountants

S Vishwamurthy
Partner
Membership No: 215675

Bengaluru, 24 May 2023

For and on behalf of Board of Directors
Suchirayu Health Care Solutions Limited

Dr. Rajendra Dugani
Director
DIN: 1652214

Srinivasa V Raghavan
Director
DIN: 1803376

Ashwini Kalburgi
Company secretary

Basavaraj Parnatti
Chief financial officer

Bengaluru, 24 May 2023

Suchirayu Health Care Solutions Limited
Hubli

Suchirayu Health Care Solutions Limited

Statement of changes in equity for the year ended 31 March 2023

(Amount in ₹ Millions, except for shares data or as otherwise stated)

A Equity share capital

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Opening balance	446.00	116.00
Changes in equity share capital during the year	-	330.00
Closing balance	446.00	446.00

B Other equity

Particulars	Reserve and surplus		Total
	Capital reserve	Retained earnings	Other equity
Balance as at 01-Apr-2021	13.38	(611.64)	(598.26)
Profit for the year	-	22.17	22.17
Other comprehensive loss for the year, net of income tax	-	(1.72)	(1.72)
Balance as at 31-Mar-2021	13.38	(591.19)	(577.81)
Profit for the year	-	52.71	52.71
Other comprehensive loss for the year, net of income tax	-	(1.25)	(1.25)
Balance as at 31-Mar-2022	13.38	(539.73)	(526.35)

Notes

Retained earnings: Retained earnings represent the amount of accumulated earnings of the Company.

Remeasurement of defined benefit plan: This represents the actuarial gain and losses on defined benefit plan (excluding interest).

See accompanying notes forming part of the financial statements

As per our report of even date attached

In terms of our report attached

For S G M & Associates LLP

Chartered Accountants

LLP Reg No. S200058

S G M & Associates LLP Bangalore Chartered Accountants

S Vishwamurthy

Partner

Membership No: 215675

Bengaluru, 24 May 2023

For and on behalf of Board of Directors

Suchirayu Health Care Solutions Limited

Dr. Rajendra Dugani

Director

DIN: 1652214

Srinivasa V Raghavan

Director

DIN : 1803376

Ashwini Kalburgi

Company secretary

Basavaraj Parnatti

Chief financial officer

Bengaluru, 24 May 2023

Suchirayu Health Care Solutions Limited Hubli

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements

1. CORPORATE INFORMATION

Suchirayu Health Care Solutions Limited ('Company') is an unlisted public limited company, incorporated on 06 January 2011, under Companies Act, 1956. The company is running 250 bedded tertiary health care multi super-specialty hospitals, providing world class quality health care services. On 18 November 2021, the Company becomes the subsidiary of HealthCare Global Enterprises Limited.

2. BASIS FOR PREPARATION AND PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The financial statements comply in all material respects with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value such as in value in use, in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

Summary of significant accounting policies

2.3 Revenue Recognition

Medical services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients.

As per Ind AS 115, "Revenue from contracts with customers", revenue from hospital services is recognized as and when services are performed, unless significant future uncertainties exist. The Company assess the distinct performance obligation in the contract and measures to at an amount that reflects the consideration it expects to receive net of tax collected and remitted to Government and adjusted for discounts and concession. The Company based on contractual terms and past experience determines the performance obligation satisfaction over time. Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

Sale of medical and non-medical items

Pharmacy Sales are recognised when the control of the products being sold is transferred to the customer and no significant uncertainties exist regarding the amount of consideration that will be derived from the sale of goods as regarding its collection. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Other operating revenue

Other operating revenue comprises revenue from various ancillary revenue generating activities like facilitation of training programmes, operations and maintenance arrangements and research projects as per the management agreement with other entities. The service income is recognised only once the services are rendered, there is no unfulfilled performance obligation as per the terms of agreement and no significant future uncertainties exist.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. depreciation on tangible property plant equipment has been provided on the straight-line method as per the useful life prescribed in schedule II to the companies act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Leasehold improvements are amortised over the primary lease period.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.5 Intangible assets

Acquired Intangible Assets - Intangible assets being computer software with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is calculated using the straight-line method based on the estimated useful live of the asset being 5 years as determined by the Management. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.6 Financial Instruments

Financial assets and financial liabilities:
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:
Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through other comprehensive Income: Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost: Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets (other than at fair value)
The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

Offsetting a financial asset and a financial liability
The company offsets a financial asset and a financial liability when the Company:

(a) currently has a legally enforceable right to set off the recognised amounts and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

2.7 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.8 Foreign Currency transactions and translations

The functional currency of the Company is Indian Rupee (₹).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

2.9 Employee Benefits

Defined Contribution Plan
The Company's contribution to provident fund are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plan
For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

Short-term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include salaries, wages, performance linked reward, medical benefits and non-accumulating compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.10 Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,
(ii) finance charges in respect of lease liabilities, and
(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.11 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, on or after April 1, 2019.

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

Company as lessor

At inception or on modification of a contract that contains a lease component, the Croup allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

Company as lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

S G M & Associates LLP ★ Bangalore ★ Chartered Accountants

Suchirayu Health Care Solutions Limited ★ Hubli

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in- substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of- use asset has been reduced to zero.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company's significant leasing arrangements are mainly in respect of and buildings, residential and office premises.

2.12 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period
Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.13 Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events 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. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.14 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

S G M & Associates LLP ★ Bangalore ★ Chartered Accountants

Suchirayu Health Care Solutions Limited ★ Hubli

2.15 Earnings per share

Basic earnings per share are computed by dividing Statement of Profit and Loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, has been identified as the chief operating decision maker ('CODM').

2.17 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

3. Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 Impairment of Property Plant and Equipment and Intangible Assets

The Company reviews its Property, Plant and Equipment and Intangible Assets annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.2 Useful lives of property, plant and equipment

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

S G M & Associates LLP Chartered Accountants Bangalore

Suchirayu Health Care Solutions Limited Hubli

Note No.

3 Property, plant and equipment

Note No.	Description of assets	Land	Building	Plant and medical equipment	Office equipment	Furniture and fixtures	Data processing equipment	Vehicles	Total
I	**Gross block**								
	Balance as at 01-Apr-2021	**34.49**	**647.74**	**274.81**	**0.21**	**38.23**	**1.77**	**2.56**	**999.81**
	Additions	-	-	23.89	-	0.54	1.56	1.22	**27.21**
	Disposals	-	-	-	-	-	-	-	-
	Balance as at 31-Mar-2022	**34.49**	**647.74**	**298.70**	**0.21**	**38.77**	**3.33**	**3.78**	**1,027.02**
	Additions	-	-	22.21	0.09	0.34	1.62	-	**24.26**
	Disposals	-	-	-	-	-	-	-	-
	Balance as at 31-Mar-2023	**34.49**	**647.74**	**320.91**	**0.30**	**39.11**	**4.95**	**3.78**	**1,051.28**
II	**Accumulated depreciation and impairment**								
	Balance as at 01-Apr-2021	-	**11.13**	**26.39**	**0.07**	**6.72**	**0.52**	**0.32**	**45.15**
	Depreciation expense	-	11.13	29.45	0.07	6.76	1.05	0.62	**49.08**
	Eliminated on disposal of assets	-	-	-	-	-	-	-	-
	Balance as at 31-Mar-2022	-	**22.26**	**55.84**	**0.14**	**13.48**	**1.57**	**0.94**	**94.23**
	Depreciation expense	-	10.84	32.59	0.08	7.96	0.88	0.42	**52.77**
	Eliminated on disposal of assets	-		-	-	-	-	-	-
	Balance as at 31-Mar-2023	-	**33.10**	**88.43**	**0.22**	**21.44**	**2.45**	**1.36**	**147.00**
	Net block								
	31.Mar.2022	**34.49**	**625.48**	**242.86**	**0.07**	**25.29**	**1.76**	**2.84**	**932.79**
	31.Mar.2023	**34.49**	**614.64**	**232.48**	**0.08**	**17.67**	**2.50**	**2.42**	**904.28**

Notes:

(i) All property, plant and equipment are owned by the Company unless otherwise stated.

(ii) None of the above assets of the Company have been provided as security requiring any charges or satisfaction to be registered with the Registrar of Companies.

(iii) None of the above assets of the Company have been subject to any adjustment towards revaluation during the current year.

(iv) There are no proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

S G M & Associates LLP Chartered Accountants Bangalore

Suchirayu Health Care Solutions Limited Hubli

Note No.

4 Other financial assets

Particulars	As at 31.Mar.2023	As at 31.Mar.2022
Non-current | Unsecured, considered good		
Security deposits	4.13	4.13
Term deposit with bank	5.80	5.58
Total	**9.93**	**9.71**

5 Income tax assets (net)

Particulars	As at 31.Mar.2023	As at 31.Mar.2022
Income tax and tax deducted at source (net of provision)	12.97	35.33
Total	**12.97**	**35.33**

6 Other non-current assets

	Particulars	As at 31.Mar.2023	As at 31.Mar.2022
	Unsecured, considered good		
(a)	Capital advances	5.44	-
	Prepaid expenses	2.07	-
	Total	**7.51**	-

(a) Capital advances as at 31 March 2023 is due for less than six months.

7 Inventories

Particulars	As at 31.Mar.2023	As at 31.Mar.2022
Inventories (lower of cost and net realisable value)		
Medicines	15.37	7.97
Other consumables	6.98	2.06
Total	**22.35**	**10.03**

8 Trade receivables

	Particulars	As at 31.Mar.2023	As at 31.Mar.2022
	Unsecured, considered good	70.35	50.06
	Credit impaired	26.17	28.28
		96.52	**78.34**
	Provision for expected credit loss	(26.17)	(28.28)
34.2	**Total**	**70.35**	**50.06**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor are any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(a) The ageing of trade receivables as at the end of the reporting period is as follows:

Particulars	As at 31.Mar.2023	As at 31.Mar.2022
Outstanding for following period from due date of payment		
Unbilled	8.43	6.95
Less than six months	60.77	52.12
Six months to one year	17.76	11.24
One to two years	3.73	1.02
Two to three years	0.54	7.01
More than three years	5.29	-
Provision for expected credit loss	(26.17)	(28.28)
Total	**70.35**	**50.06**

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

9 Cash and cash equivalents

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Cash-on-hand	1.65	0.46
Balances with bank in		
current accounts	50.56	44.23
deposit accounts	-	42.15
Total	**52.21**	**86.84**

10 Loans

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Unsecured, considered good		
Advance to employees	2.25	1.69
Total	**2.25**	**1.69**

11 Other financial assets

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Current | Unsecured, considered good		
Interest accrued on deposits	1.05	0.76
Total	**1.05**	**0.76**

12 Other current assets

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Unsecured, considered good		
Prepaid expenses	1.96	1.62
Advance to vendors	9.46	22.08
Total	**11.42**	**23.70**

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

Note No.

13 Equity share capital

Particulars	As at 31.Mar.2023	As at 31.Mar.2022
Authorised share capital		
48,000,000 (2022: 48,000,000) Equity shares of ₹ 10/- each	480.00	480.00
Issued, subscribed and fully paid up		
44,600,000 (2022: 44,600,000) Equity shares of ₹ 10/- each	446.00	446.00
Total	**446.00**	**446.00**

(a) Movements in equity share capital

Particulars	31-Mar-2023		31-Mar-2022	
	Number of shares	₹	Number of shares	₹
Balance as at the beginning of the year	44,600,000	446.00	11,600,000	116.00
Shares issued during the year	-	-	33,000,000	330.00
Balance as at the end of the year	**44,600,000**	**446.00**	**44,600,000**	**446.00**

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares held by holding company

Particulars	31-Mar-2023		31-Mar-2022	
	Number of shares	₹	Number of shares	₹
HealthCare Global Enterprises Limited	35,055,000	3,505.50	35,055,000	3,505.50

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

Particulars	31-Mar-2023		31-Mar-2022	
	Number of shares	% of holding	Number of shares	% of holding
HealthCare Global Enterprises Limited	35,055,000	78.60%	35,055,000	78.60%

(e) There are no shares reserved for issue under options.

(f) There are no shares allotted as fully paid up by way of bonus shares during the five years period immediately preceding the year end.

(g) There are no shares allotted as fully paid up pursuant to contracts without payment being received in cash during the five years period immediately preceding the year end.

(h) HealthCare Global Enterprises Limited is the promoter of the Company and there are were changes in the shareholding of the promoters during the above reporting periods.

SGM & Associates LLP Chartered Accountants Bangalore

Suchirayu Health Care Solutions Limited Hubli

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(Amount in ₹ Millions, except for shares data or as otherwise stated)

Note No.

14 Other equity

Particulars	As at 31.Mar.2023	As at 31.Mar.2022
Capital reserve	13.38	13.38
Retained earnings	(539.73)	(591.19)
Total	**(526.35)**	**(577.81)**
Capital reserve		
Opening balance	13.38	13.38
Closing balance	**13.38**	**13.38**
Retained earnings		
Opening balance	**(591.19)**	**(611.64)**
Profit for the year	52.71	22.17
Other comprehensive income arising from remeasurement of defined benefit obligation	(1.25)	(1.72)
Closing balance	**(539.73)**	**(591.19)**

15 Borrowings

Note	Particulars	As at 31.Mar.2023	As at 31.Mar.2022
	Non-current		
	Secured, at amortised cost		
(a)	Term loan from banks	972.26	1,007.26
	Total	**972.26**	**1,007.26**
	Summary of borrowing arrangements		
(a)	**Term loan from banks**		
	Non-current portion	972.26	1,007.26
	Current maturities of long-term debt	35.66	0.44
	Security: Term loan from bank is secured by equitable mortgage of all movable and immovable assets of the Company. Further secured by (i) collateral security of mortgage on personal property of Dr. Rajendra Dugnai, Dr Arvind Yelamali and Dr. Narendra Hiregoudar; (ii) letter-of-comfort by the Holding Company. Rate of interest is MCLR + 1.90% per annum. Payable in 15 quarterly unequal instalments.		

16 Provisions

Note	Particulars	As at 31.Mar.2023	As at 31.Mar.2022
	Non-current		
33	Gratuity	6.52	4.25
	Total	**6.52**	**4.25**

17 Borrowings

Note	Particulars	As at 31.Mar.2023	As at 31.Mar.2022
	Current		
	Secured, at amortised cost		
15	Current maturities of long-term debt	35.66	0.44
	Total	**35.66**	**0.44**

18 Trade payables

Note	Particulars	As at 31.Mar.2023	As at 31.Mar.2022
A	Total outstanding dues of micro enterprises and small enterprises	3.14	0.68
	Total outstanding dues of creditor other than micro enterprises and small enterprises	120.26	178.03
	Total	**123.40**	**178.71**

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

A Details relating to micro, small and medium enterprises [MEME]

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Principal amount remaining unpaid to the supplier as at the end of the accounting year	3.14	0.68
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under the MSMED Act)	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	-	-

This information regarding micro enterprises and small enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.

B Ageing of trade payables

Outstanding for following periods from due date of payment	Less one year	One to two years	Two to three years	More than three years	Total
31.Mar.2023					
MSME	3.14	-	-	-	**3.14**
Others	113.88	3.93	1.41	1.04	**120.26**
31.Mar.2022					
MSME	0.68	-	-	-	**0.68**
Others	146.20	17.16	1.01	13.66	**178.03**

19 Other financial liabilities

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Current		
Interest accrued but not due	10.64	7.20
Total	**10.64**	**7.20**

20 Other current liabilities

	Particulars	As at	
		31.Mar.2023	31.Mar.2022
(a)	Advance from patients	7.92	63.62
	Statutory dues	4.50	16.71
31	Other liabilities	7.30	-
	Total	**19.72**	**80.33**

(a) Advance from patients as at 31 March 2022 includes advance received from Government of Karnataka and KLE Academy of Higher Education Research, towards medical services and hospital facility usage fees, respectively. During the current year, the Company has rendered service against those advance received.

21 Provisions

	Particulars	As at	
		31.Mar.2022	31.Mar.2022
	Non-current		
33	Gratuity	2.10	1.16
	Compensated absence	4.37	3.37
	Total	**6.47**	**4.53**

S G M & Associates LLP
Bangalore
Chartered Accountants

Suchirayu Health Care Solutions Limited
Hubli

Note No.

22 **Revenue from operations**

Note	Particulars	For the year ended 31.Mar.2023	For the year ended 31.Mar.2022
	Income from medical services	792.77	688.84
	Sale of medical and non medical items	36.32	98.74
(a)	Other operating income	23.06	43.76
	Total	**852.15**	**831.34**

(a) Other operating income: The Company has entered into an arrangement with KLE Academy of Higher Education Research (KAHER) whereby, KAHER will use the Company's facilities such as, premises, OT, nursing staff and available expertise as an extension to its college for academic purposes. However, the Company will continue running the medical hospital independently as well under the agreement. Other operating income for the year ended 31 March 2023 and 31 March 2022 includes ₹ 20.32 and ₹ 40, respectively, from the mentioned arrangement with KAHER.

(b) **Ind AS 115 - Additional disclosure**

Note	Particulars	As at 31.Mar.2023	As at 31.Mar.2022
	Contract balances		
11	Unbilled revenue	8.43	6.95
20	Advance from patients - Contract liability	7.92	63.62
	Geographical information		
	India	852.15	831.34

23 **Other income**

Note	Particulars	For the year ended 31.Mar.2023	For the year ended 31.Mar.2022
(a)	Interest income	3.41	0.54
	Provision nolonger required written back	2.11	12.39
	Miscellaneous income	0.24	1.24
	Total	**5.76**	**14.17**

(a) **Interest income comprise**

Particulars	For the year ended 31.Mar.2023	For the year ended 31.Mar.2022
Interest on		
bank deposits	2.32	0.54
income tax refund	1.09	-
Total	**3.41**	**0.54**

24 **Changes in inventories**

Particulars	For the year ended 31.Mar.2023	For the year ended 31.Mar.2022
Inventories at the beginning of the year	10.03	3.20
Inventories at the end of the year	22.35	10.03
Net decrease/(increase)	**(12.32)**	**(6.83)**

25 **Employee benefits expense**

Note	Particulars	For the year ended 31.Mar.2023	For the year ended 31.Mar.2022
	Salaries and wages	92.54	32.83
33	Contribution to provident and other funds	12.61	4.42
	Staff welfare expenses	1.65	2.95
	Total	**106.80**	**40.20**

S G M & Associates LLP ★ Bangalore ★ Chartered Accountants

Suchirayu Health Care Solutions Limited ★ Hubli

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(Amount in ₹ Millions, except for shares data or as otherwise stated)

26 Finance costs

	Particulars	For the year ended	
		31.Mar.2023	31.Mar.2022
	Interest cost on		
	term loans	109.47	103.38
33	defined benefit obligation	0.48	0.26
	Other borrowing cost - bank charges	3.29	2.34
	Total	**113.24**	**105.98**

27 Depreciation and amortisation expense

	Particulars	For the year ended	
		31.Mar.2023	31.Mar.2022
	Depreciation on		
3	Property, plant and equipment	52.77	49.08
	Total	**52.77**	**49.08**

28 Other expenses

	Particulars	For the year ended	
		31.Mar.2023	31.Mar.2022
(b)	Medical consultancy charges	166.49	477.46
	Lab charges	65.13	19.56
	House keeping expenses		
	Power and fuel	23.16	8.78
	Lease rent	0.43	0.66
	Repairs and maintenance		
	Building	19.82	2.11
	Machinery	7.71	11.95
	Others	18.10	15.33
	Insurance	0.78	0.90
	Rates and taxes	6.79	11.33
	Printing and stationery	0.53	2.49
	Advertisement, publicity and marketing	1.34	2.92
	Travelling and conveyance	10.42	5.80
	Legal and professional fees	1.74	5.56
(a)	Payment to auditors	0.68	0.59
	Communication expense	0.93	0.79
	Bad debts written off	2.50	0.01
	Provision for expected credit loss	-	13.23
	Miscellaneous expenses	3.33	4.43
	Total	**329.88**	**583.90**
(a)	**Payments to auditors (excluding taxes)**		
	As an auditor		
	Audit fees for audit of the financial statements of the Company	0.68	0.59
	Out of pocket expenses	-	-
	Total	**0.68**	**0.59**

(b) The Company and HealthCare Global Enterprises Limited [HCG] had entered into O&M Agreement. As per the provisions of agreement HCG was providing Operation and management (O&M) services including managing the operations of the hospital in accordance with annual operating plan and the annual budget and the policies, procedures and other plans as per the agreement and as decided by HCG. Medical consultancy charges for the year ended 31 March 2022 includes a sum of ₹ 380.62 accounted towards O&M arrangement. Further in the previous year, HCG acquired controlling equity stake in the Company and O&M arrangement was terminated.

29 Tax expense

	Particulars	For the year ended	
		31.Mar.2023	31.Mar.2022
	Current tax	-	-
	Deferred tax	-	-
(a)	**Total**	-	-

S G M & Associates LLP * Bangalore * Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(Amount in ₹ Millions, except for shares data or as otherwise stated)

(a) The reconciliation between the income tax expense of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended	
	31.Mar.2022	31.Mar.2022
Profit before tax for the year	52.71	22.17
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	**13.27**	**5.58**
Set-off against carryfoward losses	(13.27)	(5.58)

30 Earnings per equity share

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Profit for the year attributable to equity holders	52.71	22.17
Weighted average number of equity shares for the year	44,600,000	23,715,068
Nominal value of shares (in ₹)	100	100
Basic and diluted earning per equity share (₹)	**1.18**	**0.93**

31 Contingent liabilities and capital commitments

(a) Contingent liabilities

The Hon'ble Supreme Court has, in a decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The Company keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated.

(b) Other litigations

The Company is involved in other disputes, law suits and other claims including commercial matters which arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on the financial statements.

32 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore 'Medical and Healthcare Services'. Further, all assets, current and non-current assets are based in India. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

Note No.

33 Employee benefit plans

33.1 Defined contribution plans

The Company has defined contribution plan in form of provident fund and pension scheme and employee state insurance scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the statement of profit and loss in respect of such schemes are given below:

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Contribution to		
Provident fund and pension scheme	9.47	3.06
Employee state insurance scheme	1.87	-
Total	**11.34**	**3.06**

33.2 Defined benefit plans

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

The principal assumptions used for the purposes of the actuarial valuations are as follows:

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Discount rate	7.30%	5.40%
Expected rate of salary increase	7.50%	7.50%
Rate of return on plan assets	7.34%	7.00%
Employee turnover rate	30.00%	36.30%
Mortality rate	IAL2012-14Ult	

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows:

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Current service cost	1.85	1.10
Net interest expense	0.48	0.26
Components of defined benefit costs recognised in the statement of profit and loss	**2.33**	**1.36**
Remeasurement on the net defined benefit liability		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.34	0.40
Actuarial (gains) / losses arising from changes in financial assumptions	(0.40)	0.01
Actuarial (gains) / losses arising from experience adjustments	1.31	1.32
Excess of interest on plan assets over actual return	-	-
Remeasurement on the net defined benefit liability recognised in other comprehensive income	**1.25**	**1.73**

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Present value of funded defined benefit obligation	8.62	5.41
Current	2.10	1.16
Non-current	6.52	4.25

S G M & Associates LLP Chartered Accountants Bangalore

Suchirayu Health Care Solutions Limited Hubli

Note No.

Movements in the present value of the defined benefit obligation are as follows.

Particulars	**As at**	
	31.Mar.2023	**31.Mar.2022**
Opening defined benefit obligation	**5.41**	**0.14**
Current service cost	1.85	1.10
Interest cost	0.48	0.26
Remeasurement (gains)/losses		
Actuarial gains and losses arising from changes in demographic assumptions	0.34	0.40
Actuarial gains and losses arising from changes in financial assumptions	(0.40)	0.01
Actuarial gains and losses arising from experience adjustments	1.31	1.32
Acquisition adjustment	-	2.22
Benefits paid	-	(0.04)
Others [describe]	(0.37)	-
Closing defined benefit obligation	**8.62**	**5.41**

33.3 **Sensitivity analysis**

Particulars	**As at**			
	31.Mar.2023		**31.Mar.2022**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% change)	0.26	(0.25)	0.16	(0.15)
Future salary increase (1% change)	0.61	(0.55)	0.35	(0.32)
Attrition rate (10% change)	0.17	(0.18)	0.24	(0.22)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at 31 March 2023 is 4.88 years (as at 31 March 2022: 3.79 years)

Maturity profile of defined benefit obligation:

Particulars	**As at**	
	31.Mar.2023	**31.Mar.2022**
Within 1 year	2.10	1.16
1 - 5 year	5.86	3.92
6 - 10 year	2.44	1.12
> 10 year	0.71	0.17
	11.11	**6.37**

S G M & Associates LLP Chartered Accountants Bangalore

Suchirayu Health Care Solutions Limited Hubli

Note No.

34 Financial instruments

34.1 The carrying value and fair value of financial instruments by categories is as follows

Particulars	Carrying value as at		Fair value as at	
	31.Mar.2023	31.Mar.2022	31.Mar.2023	31.Mar.2022
Financial assets				
Amortised cost				
Loans	2.25	1.69	2.25	1.69
Trade receivables	70.35	50.06	70.35	50.06
Cash and cash equivalents	52.21	86.84	52.21	86.84
Other financial assets	10.98	10.47	10.98	10.47
Total assets	**135.79**	**149.06**	**135.79**	**149.06**
Financial liabilities				
Amortised cost				
Borrowings	1,007.92	1,007.70	1,007.92	1,007.70
Trade payables	123.40	178.71	123.40	178.71
Other financial liabilities	10.64	7.20	10.64	7.20
Total liabilities	**1,141.96**	**1,193.61**	**1,141.96**	**1,193.61**

The management assessed that fair value of bank balance, trade receivables, loans receivable, other financial assets, borrowings, lease liabilities and trade payables, approximates their carrying amounts largely due to the short-term maturities of these instruments. Difference between carrying amounts and fair values of bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

34.2 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and price risks which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, bank balance and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured, the Company does not hold any collateral or a guarantee as security. The provision details of the trade receivable is provided in Note 13 of the financial statement.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as derived as per the trend of trade receivable ageing of previous years.

The Provision matrix at the end of the reporting period is as follows:

Particulars	31.Mar.2023	31.Mar.2022
Unit of measurement	%	%
Less than 1 year	7 to 10	7 to 10
1-2 year	50	50
2-3 year	70	70
More than 3 year	100	100

Movement in the expected credit loss allowance:

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Balance at the beginning of the year	28.28	15.05
Addition/(reversal) during the year	(2.11)	13.23
Balance at the end of the year	**26.17**	**28.28**

Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

Note No.

No single customer accounted for more than 10% of the revenue as of 31 March 2023 and 31 March 2022. There is no significant concentration of credit risk. Details of geographic concentration of revenue is included in note 37 to the financial statements.

Trade receivables include dues from companies in which any director is a director or member: Nil

Cash and cash equivalents

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	**As at**	
	31.Mar.2023	**31.Mar.2022**
Cash and Bank balance (including deposits)	52.21	86.84
	52.21	**86.84**

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	**< 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**> 4 years**
31.Mar.2023					
Borrowings	35.66	53.43	53.43	106.86	758.54
Trade payables	123.40	-	-	-	-
Other financial liabilities	10.64	-	-	-	-
	169.70	**53.43**	**53.43**	**106.86**	**758.54**
31.Mar.2022					
Borrowings	0.44	35.66	53.43	53.43	864.74
Trade payables	178.71	-	-	-	-
Other financial liabilities	7.20	-	-	-	-
	186.35	**35.66**	**53.43**	**53.43**	**864.74**

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

34.3 Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The capital structure is as follows:

Particulars	**As at**	
	31.Mar.2022	**31.Mar.2022**
Total equity attributable to the equity share holders of the Company	(80.35)	(131.81)
Borrowings [non-current and current]	1,007.92	1,007.70
Total borrowings [A]	**1,007.92**	**1,007.70**
Cash and cash equivalents [including deposit with banks] [B]	52.21	86.84
Net loans & borrowings [A - B]	**955.71**	**920.86**
Gearing ration	(1189%)	(699%)
Total capital (loans and borrowings and equity)	**927.57**	**875.89**

S G M & Associates LLP Bangalore Chartered Accountants

Suchirayu Health Care Solutions Limited Hubli

Note No.

35 Related party transactions

A List of related parties

Description of relationship	Names of related parties
Holding Company (HC)	HealthCare Global Enterprises Limited
Fellow subsidiaries (FS)	
Key management personnel (KMP)	**Managing director** Dr. Rajendra Dugani **Non-executive directors** Dr. Sadashivayya Soppimath Jayarama Manjunath Dr. B S Ajaikumar (From 18-11-2021) Srinivasa V. Raghavan (From 18-11-2021) Meghraj Arvindrao Gore (From 18-11-2021) Anjali Ajaikumar (From 18-11-2021) Dr. Suresh Korlahalli (Upto 18-11-2021) Dr. Arvind Yelamali (Upto 18-11-2021) Dr. Narendra Hiregoudar (Upto 18-11-2021) **Independent directors** Jayarama Manjunath Gururajrao Gangavatikar (From 01-03-2023) Akash Kishore Prasad (From 25-11-2021 to 26-09-2022)

B Transactions with related parties

Particulars	For the year ended	
	31.Mar.2023	31.Mar.2022
Purchases of medical and non-medical items		
HealthCare Global Enterprises Limited	10.70	14.07
Cross charge of expense (net)		
HealthCare Global Enterprises Limited	21.43	16.64
Lab charges		
HealthCare Global Enterprises Limited	51.34	17.25
Liability transferred to Suchirayu on account of acquisition		
HealthCare Global Enterprises Limited	-	3.87
Medical Consultancy Charges		
Dr. Rajendra Dugani	9.57	12.25
Dr. Sadashivayya Soppimath	5.31	6.45
Dr. Suresh Korlahalli	-	7.10
Dr. Narendra Hiregoudar	-	9.43
Dr. Arvind Yelamali	-	0.12

C Balances with related parties

Particulars	As at	
	31.Mar.2023	31.Mar.2022
Trade payables		
HealthCare Global Enterprises Limited	6.24	47.30
Dr. Rajendra Dugani	1.01	-
Dr. Sadashivayya Soppimath	0.34	1.81
Dr. Suresh Korlahalli	-	0.66
Dr. Narendra Hiregoudar	-	1.50
Dr. Arvind Yelamali	-	0.01

S G M & Associates LLP Chartered Accountants Bangalore

Suchirayu Health Care Solutions Limited Hubli

Note No.

36 Impact of Covid-19

The Company has taken into account, impact of COVID-19 pandemic, if any, on its financial statement captions based on internal and external information upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

37 Additional information

(a) Loans and advances in the nature of loan granted to promoters, directors, KMPs and related parties Nil.

(b) Financial ratios

	Particulars	Methodology	31-Mar-2023	31-Mar-2022
(i)	Current ratio	Current assets over current liabilities	0.81	0.64
(ii)	Inventory turnover ratio	Inventory over consumption of goods	12.51	6.68
(iii)	Debt equity ratio [%]	Debt over equity	-1254%	-765%
(iv)	Return on equity [%]	PAT over total average equity	-49%	-7%
(v)	Trade receivables turnover ratio	Revenue from operations over average trade receivables	14.15	19.69
(vi)	Trade payables turnover ratio	Adjusted expenses over average trade payables	6.43	4.07
(vii)	Net capital turnover ratio	Revenue from operations over average working capital	(12.68)	(3.71)
(viii)	Net profit [%]	Net profit over revenue	6%	2%
	EBITDA [%]	EBITDA over revenue	26%	21%
(ix)	Return on capital employed [%]	PBIT over average capital employed	-156%	-42%

Notes

EBIT - Earnings before interest and taxes
PBIT - Profit before interest and taxes including other income
EBITDA - Earnings before interest, taxes, depreciation and amortisation
PAT - Profit after tax
Debt includes current and non-current lease liabilities
Adjusted expenses refers to other expenses net of non-cash expenses and donations
Capital employed refers to total shareholders' equity and debt
Investments includes non-current investment, current investment and margin-money deposit

Explanation for change in the ratio by more than 25% as compared to the preceding year

(i) The enhanced cash flow from our core business operations enabled us to fulfill our payment obligations to settle outstanding balances with our regular vendors. Although there has been a rise in trade receivable days, this increase has been counterbalanced by improved customer collections, surpassing the performance of the previous year.

(ii) Due to the commencement of our in-house pharmacy sales venture, costs have escalated in both material and inventory expenses for the fiscal year.

(iii) The overall business has experienced an improvement in its debt-to-equity ratio, reflecting positive progress

(iv) The increase in business operations has led to a reduction in accumulated losses, thereby improving the return on equity. As a result, there has been an overall increase in the equity position of the Company.

(v) The overall trade receivables turnover ratio for the current year has been impacted by an increase in revenue.

(vi) The trade payable ratio has experienced a positive enhancement due to settlement of payments to suppliers and service providers.

S G M & Associates LLP ★ Bangalore ★ Chartered Accountants

Suchirayu Health Care Solutions Limited ★ Hubli

Note No.

(vii) The decrease in current liabilities is primarily driven by payment to suppliers and service providers. Conversely, there has been a marginal change in current assets. As a result, there is an overall improvement in the Net capital turnover ratio

(viii) The implementation of better operational management practices during the current year has resulted in a decrease in various expenses, including medical consultancy charges, repairs and maintenanc costs, and provision for doubtful debts. This improvement in operational management has contributed to an increase in the EBITDA for the current year.

(ix) The improvement in the Profit Before Tax (PBT) has led to an enhancement in the Return on Capital Employed (ROCE), indicating increased profitability and efficiency in the utilization of capital resources

38 Additional Regulatory Information

(i) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(ii) The Company does not have any transactions or investments with struck off companies during the year ended 31-Mar-2023

(iii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

S G M & Associates LLP Chartered Accountants Bangalore

Suchirayu Health Care Solutions Limited Hubli