

**INDEPENDENT AUDITOR'S REPORT
TO BSR & CO. LLP
ON THE AUDIT OF THE FINANCIAL INFORMATION OF HCG SUN HOSPITALS LLP**

Opinion

I have audited the financial information of HCG SUN Hospitals LLP ("LLP"), which comprises the Balance Sheet as of 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income) for the year then ended, and notes to the financial information. The financial information has been prepared by the management of the LLP based upon the accounting policies and instructions issued by HealthCare Global Enterprises Limited ("the Holding Company").

In my opinion, and to the best of my information and according to the explanations given to me, the aforesaid financial information has been prepared in all material respects in accordance with the policies and instructions issued by the Holding Company.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). My responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my Report. I am independent of the LLP in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to my audit of the financial information in India, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Management and Those Charged with Governance for the Financial Information

The Designated Partner are responsible for the preparation of this financial information in accordance with the accounting policies and instructions issued by the Holding Company and other accounting principles generally accepted in India. It includes the design, implementation and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those designated partners are also responsible for overseeing the LLP's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Information

My objectives are to obtain reasonable assurance about whether the financial information as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my 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 based on this financial information.

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

- Identify and assess the risks of material misstatement of the financial information, 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 my 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 controls.



Harshil Patel & Co.

Chartered Accountants

- Obtain an understanding of internal controls 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 entity's internal controls.
- Evaluate the overall presentation, structure, and content of the financial information, including the disclosures, and whether the financial information represents the underlying transactions and events in a manner that achieves fair presentation.

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

I 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 controls that I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

Restriction on Use and Distribution

This financial information has been prepared for the purposes of providing information to the Holding Company to enable it to prepare its consolidated financial statements for the year ended 31 March 2022. As a result, the financial information is not a complete set of financial information of LLP in accordance with the applicable financial reporting framework underlying the group's accounting policies and is not intended to give a true and fair view of the financial position of LLP as of 31 March 2022, and of its financial performance for the year then ended in accordance with applicable financial reporting framework underlying the group's accounting policies. The financial information may, therefore, not be suitable for another purpose.

This report is intended solely for submission to BSR & Co. LLP, Bangalore, and should not be used by or distributed to other parties.



FOR HARSHIL PATEL & CO.

Chartered Accountants

(Firm Registration No: 148237W)

HARSHIL

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RAJENDRA

HARSHIL RAJENDRA

PATEL

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Harshil Patel

Proprietor

(Membership No.: 143444)

(UDIN: 22143444AJPDUA3378)

Place: Ahmedabad

Date: 25 May 2022

HCG SUN Hospitals LLP
Balance Sheet as at 31 March 2022

(Rs in million)

	Note No	As at 31 March 2022	As at 31 March 2021
ASSETS			
A Non-current assets			
(a) Property, plant and equipment	2	197.53	183.55
(c) Right-of-use assets	2	85.04	109.58
(d) Other Intangible assets	2	1.87	7.40
(e) Financial assets			
(iii) Other financial assets	4	31.20	33.74
(f) Deferred tax assets (Net)	25.2	10.88	78.37
(g) Income tax assets (net)	25.3	16.90	6.45
(h) Other non-current assets	5	8.87	0.22
Total non - current assets		352.29	419.31
B Current assets			
(a) Inventories	6	10.39	5.83
(b) Financial assets			
(i) Trade receivables	7	75.94	30.32
(ii) Cash and cash equivalents	8	31.53	21.30
(iii) Bank balances other than (ii) above	8	1.57	2.12
(iv) Other financial assets	4	9.17	1.49
(c) Other current assets	5	2.71	20.46
Total current assets		131.33	81.52
TOTAL ASSETS (A) + (B)		483.61	500.83
CAPITAL AND LIABILITIES			
A Partners Capital			
(a) Partners Capital Account	9	380.35	292.64
(b) Reserve and Surplus	9	(300.02)	(170.23)
Total Capital		80.32	122.41
B Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	10	163.78	166.31
(ii) Lease Liabilities	10	92.73	124.81
(b) Provisions	12	0.85	0.48
Total Non-Current Liabilities		257.36	291.61
C Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	6.98	9.07
(ii) Lease Liabilities	14	16.83	3.44
(ii) Trade payables	17		
- Total outstanding dues of Micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than Micro enterprises and small enterprises		112.25	70.42
(iii) Other financial liabilities	11	4.00	1.48
(b) Provisions	12	1.64	0.27
(d) Other current liabilities	18	4.22	2.13
Total Current Liabilities		145.93	86.80
Total Liabilities (B) + (C)		403.29	378.40
Total Equity and Liabilities (A) + (B) + (C)		483.61	500.81

See accompanying notes to the financial information

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PATEL
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Date : 25/05/2022

For HCG SUN Hospitals LLP

Bharatsinh
Shivdan
Gadhavi

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Dr. Bharat Gadhavi
Designated Partner
Place : Ahmedabad
Date : 25/05/2022

Dr. B S Ramesh
Designated Partner
Place : Ahmedabad
Date : 25/05/2022

HCG SUN Hospitals LLP
Statement of Profit and Loss for the year ended 31 March 2022

(Rs in million)

Particulars	Note No	For the year ended on 31 March 2022	For the year ended on 31 March 2021
I Revenue from Operations	19	308.53	263.21
II Other Income	20	2.04	1.94
III Total Income (I+II)		310.57	265.15
IV Expenses			
(a) Purchases of Stock-in-trade		121.11	77.67
(b) Changes in inventory of stock-in-trade		(4.56)	2.73
(c) Employee benefit expense	21	56.78	54.16
(d) Finance costs	22	41.66	60.57
(e) Depreciation and amortisation expense	23	50.34	41.52
(f) Other expenses	24	119.21	124.13
Total expenses ((a) to (g)) (IV)		384.54	360.79
V Profit/(loss) before tax (III-IV)		(73.98)	(95.64)
VI Tax expense			
Deferred tax	25.1	67.49	(30.63)
		67.49	(30.63)
VII (Loss) for the year (V-VI)		(141.47)	(65.01)
VIII Other Comprehensive Income / (Loss)			
A Items that will not be reclassified to profit or loss			
(a) Re-measurements of the defined benefit liabilities / (asset)	28.2	(0.08)	(0.03)
(b) Income tax on the above		-	-
		(0.08)	(0.03)
IX Total comprehensive income / (losses) for the year (VII+VIII)		(141.55)	(65.03)

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Date : 25/05/2022

For HCG SUN Hospitals LLP

Bharatsinh
Shivdan
Gadhavi

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Date: 2022.05.25 15:38:17
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Dr. Bharat Gadhavi
Designated Partner
Place : Ahmedabad
Date : 25/05/2022

Dr. B S Ramesh
Designated Partner
Place : Ahmedabad
Date : 25/05/2022

HCG SUN Hospitals LLP

Notes to the financial information for the year ended on 31 March 2022

(Rs in million)

2 Property, plant and equipment and capital work-in-progress

	As at 31 March 2022	As at 31 March 2021
Right of Use of Assets	85.04	109.58
Leasehold Improvements	48.85	20.56
Plant and equipment - Freehold	14.08	15.30
Medical & Lab equipment	111.97	121.49
Office Equipment	0.27	0.18
Furniture and Fixtures	18.20	20.36
Data processing equipment	1.86	2.92
Electrical Installation	0.71	0.82
Vehicles	1.60	1.93
	282.57	293.13
Capital work-in-progress	0.00	0.00
	282.57	293.13

Description of Assets	Property, plant and equipment							Total		
	RoU - Building	Leasehold Improvements	Plant and equipment - Freehold	Medical & Lab equipment	Office Equipment	Furniture and Fixtures	Data processing equipment		Electrical installation	Vehicles
Balance as at 31 March, 2020	259.66	25.49	18.63	150.78	0.49	30.79	7.91	1.21	2.69	497.64
Additions	-	-	0.13	1.39	0.04	0.00	0.04	-	-	1.59
Deletion- adjustment on remeasurement of lease liabilities	(119.68)	-	-	-	-	-	-	-	-	(119.68)
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2021	139.98	25.49	18.75	152.17	0.53	30.79	7.94	1.21	2.69	379.55
Additions	5.19	35.91	0.01	1.61	0.25	0.90	0.14	-	-	44.00
Deletion- adjustment on remeasurement of lease liabilities	(11.60)	-	-	-	-	-	-	-	-	(11.60)
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	133.57	61.40	18.76	153.77	0.78	31.69	8.09	1.21	2.69	411.95
II. Accumulated Depreciation										
Balance as at 31 March, 2020	15.20	1.60	2.23	19.66	0.29	7.67	3.09	0.28	0.42	50.43
Depreciation expense	15.20	3.33	1.23	11.02	0.05	2.76	1.93	0.11	0.34	35.99
Balance as at 31 March, 2021	30.40	4.93	3.45	30.68	0.35	10.43	5.02	0.39	0.76	86.42
Depreciation expense	18.13	9.45	1.24	11.13	0.16	3.05	1.21	0.11	0.34	44.81
Balance as at 31 March, 2022	48.53	14.39	4.69	41.81	0.51	13.48	6.23	0.50	1.09	131.23
Net Block as at 31 March, 2021	109.58	20.56	15.30	121.49	0.18	20.36	2.92	0.82	1.93	293.13
Net Block as at 31 March 2022	85.04	48.85	14.08	111.97	0.27	18.20	1.86	0.71	1.60	282.57

HCG SUN Hospitals LLP**Notes to the financial information for the year ended on 31 March 2022**

(Rs in million)

2 Other Intangible assets	As at 31 March 2022	As at 31 March 2021
Computer software	1.87	7.40
Software plant and machinery		
Total	1.87	7.40

Description of Assets	Other Intangible Assets	
	Computer software	Total
I. Cost		
Balance as at 31 March, 2020	17.32	17.32
Additions	-	-
Balance as at 31 March, 2021	17.32	17.32
Additions	-	-
Balance as at 31 March, 2022	17.32	17.32
II. Accumulated amortisation and Impairment		
Balance as at 31 March, 2020	4.38	4.38
Amortisation expense	5.53	5.53
Balance as at 31 March, 2021	9.92	9.92
Amortisation expense	5.53	5.53
Balance as at 31 March 2022	15.45	15.45
Net Block as at 31 March, 2021	7.40	7.40
Net Block as at 31 March 2022	1.87	1.87

HCG SUN Hospitals LLP**Notes to the financial information for the year ended on 31 March 2022****(Rs in million)****1 Note**

This financial information comprising the Balance Sheet as of 31 March 2022, Statement of Profit and Loss for the year ended 31 March 2022 (together referred to as the "financial information") have been prepared in accordance with the significant accounting policies followed/provided by the HealthCare Global Enterprises Limited ("HCG" or "Holding Company") and to the extent, such accounting policies are applicable to the LLP. This financial information has been prepared for the purposes of providing information to the Holding Company to enable it to prepare its consolidated financial statements for the year ended 31 March 2022. As a result, the financial information is not a complete set of financial information of LLP.

HCG Sun Hospitals LLP ("LLP") is a hospital offering multi-specialty treatment. The registered office of the LLP is situated at HCG Tower, No.8 P. Kalinga Rao Road, Sampangi Rama Nagar, Bangalore, Karnataka, 560027, India. LLP was incorporated on September 22, 2017. During the year w.e.f 1 October 2021, Shiv - Sun Medical Services LLP having 26% share in profit/losses and assets is retired from the LLP and admitted Niruja Product Development and Healthcare Research Pvt Ltd as the partner w.e.f 01 Oct 2021.

3 Loans

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Loans and advances to employees	-	0.04	-	0.12
Considered doubtful				
Less : Allowance for bad and doubtful loans				
	-	0.04	-	0.12

4 Other Financial Assets

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Loans and advances to employees		0.04		0.12
Security deposits	31.20	-	30.13	-
Unbilled revenue	-	3.13	-	1.37
Term Deposits more than 12 Months maturity	0.00	6.01	3.61	-
Interest accrued on deposits	-	-	-	-
	31.20	9.17	33.74	1.49

5 Other Assets

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Unsecured, Considered Good				
Capital Advances	1.16	-	0.22	-
Prepaid expenses	7.71	2.38	0.00	0.59
Advances to vendors	-	0.34	-	19.87
	8.87	2.71	0.22	20.46

6 Inventories (lower of cost and net realisable value)

	As at 31 March 2022	As at 31 March 2021
Medicines	4.47	2.16
Other Consumables	5.92	3.67
	10.39	5.83

7 Trade receivables	As at 31 March 2022	As at 31 March 2021
Unsecured		
Considered Good	75.94	30.32
Considered Doubtful	2.47	0.47
	78.42	30.79
Less: Expected Credit Loss Allowance	(2.47)	(0.47)
	75.94	30.32

Trade receivables ageing schedule

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed		
Outstanding for following periods from due date of payment		
Less than 6 months (includes amount not due)	43.9	25.78
6 months - 1 year	28.6	4.07
1-2 years	2.6	0.46
2-3 years	0.8	0.00
More than 3 years	-	-
Total	75.94	30.32

There is no disputed trade receivables as at 31 March 2022 and as at 31 March 2021.

8 Cash and bank balances

	As at 31 March 2022	As at 31 March 2021
(a) Cash and cash equivalents		
Balances with Banks		
In current accounts	31.40	21.05
Cheques, drafts on hand	0.04	0.16
Cash on hand	0.09	0.09
	31.53	21.30
(b) Bank balance other than cash and cash equivalents above		
In deposit accounts	1.57	2.12
	1.57	2.12

HCG SUN Hospitals LLP
Notes to the financial information for the year ended on 31 March 2022

(Rs in million)

9 Partners' Capital

Partner's Capital Account	As at 31 March 2022	As at 31 March 2021
Fixed Capital Contribution -		
HealthCare Global Enterprises Limited	0.74	0.74
Shiv Sun Medical Services LLP	-	0.26
Niruja Product Development and Healthcare Research Pvt Ltd	0.00	
	0.74	1.00
Variable Capital Contribution		
HealthCare Global Enterprises Limited	379.61	266.83
Shiv Sun Medical Services LLP	-	24.82
	379.61	291.64
	380.35	292.64

Reserve and Surplus

Name of the Partner	HCG	Shiv Sun	NIRUJA	Total
Percentage of Profit before 01.10.2021	74.00%	26.00%	0.00%	100.00%
Percentage of Profit (Partnership Changed From 01.10.2021)	99.90%	0.00%	0.10%	100.00%
Balance at 31 March 2020	(77.85)	(27.35)		(105.20)
Share of (Loss) for the Year including Other Comprehensive Income	(48.13)	(16.91)		(65.03)
Deferred Tax impact on transition in General Reserve	(0.18)	(0.06)		(0.24)
Balance at 31 March 2021	(126.15)	(44.32)		(170.23)
Share of (Loss) for the Year including Other Comprehensive Income	(13.25)	(4.66)		(17.91)
Previous Year Access Depreciation Set off	1.37	0.48		1.85
Other	0.06	0.02		(0.03)
Balance at 30 Sept 2021	(137.98)	(48.48)		(186.33)
Balance at 01 Oct 2021	(186.33)	-		(186.33)
Share of (Loss) for the Year including Other Comprehensive Income	(123.52)	-	(0.12)	(123.64)
Balance at 31 March 2022	(309.84)	-	(0.12)	(309.97)

9A General Reserve

	As at 31 March 2022
General Reserve (CG Commission on Corporate Guarantee on Yes Bank)	9.94
Total of Reserve and Surplus	(300)

HCG SUN Hospitals LLP
Notes to the financial information for the year ended on 31 March 2022

(Rs in million)

10 Borrowings - measured at amortised cost

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Secured				
Term loans from banks	163.78	6.98	166.31	9.07
Lease Liabilities	92.73	16.83	124.81	3.44
Unsecured				
From Related Party	-	-	-	-
Total	256.51	23.82	291.12	12.50

Details of security and terms of repayment of term loans and other loans (except loans repayment on demand) are stated below.

Terms of repayment and security	As at 31 March 2022	As at 31 March 2021
Term loans from banks - Secured		
Non-current portion	163.78	166.31
Amounts included under current maturities of long-term debt	6.98	9.07
- Secured by First charge on Current Assets including stock and Book debts, both present and Future. First Charge on the movable and immovable fixed Assets, both present and future. Irrevocable and unconditional Corporate Guarantee of M/s Healthcare Global Enterprises Limited ("Guarantor") till the end of the tenor of the facility.		
- Rate of interest: 6 Month MCLR+15bps		
- Repayable in installment door to door tenure in 10 years in structured Quarty Instalment in Year(Y) 1 - 3%,Y2- 5%,Y3- 7.5%,Y4-7.5%,Y5-10.5%,Y6-13%,Y7-13,Y8-13.5%,Y9-13.5%,Y10-13.5%		

11 Other financial liabilities

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Interest accrued on Borrowings	-	-	-	-
Payable to Employees	-	4.00	-	1.48
	-	4.00	-	1.48

12 Provisions

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Provision for Gratuity	0.85	0.15	0.48	0.11
Provision for Compensated Absences	-	1.49	-	0.16
	0.85	1.64	0.48	0.27

17 Trade Payables

	As at	As at
	31 March 2022	31 March 2021
Trade Payables	112.25	70.42
	112.25	70.42

There are no micro and small enterprises to whom the LLP owes dues which are outstanding as at the balance sheet date. The information regarding Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the LLP.

Trade payables ageing schedule

Particulars	As at 31 March 2022	As at 31 March 2021
Other than dues of micro and small enterprises		
Unbilled dues	-	-
Amount not yet due	28.81	20.43
Outstanding for following periods from due date of payment		
Less than 1 year	56.53	36.98
1-2 years	15.36	1.46
2-3 years	5.23	11.56
More than 3 years	6.32	-
Total	112.25	70.42

There are no disputed dues as at 31 March 2022.

18 Other Liabilities

	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Advances from customers	-	1.55	-	0.81
Others - Statutory remittances	-	2.67	-	1.31
	-	4.22	-	2.13

HCG SUN Hospitals LLP
Notes to the financial information for the year ended on 31 March 2022

(Rs in million)

19 Revenue from Operations

 Income from Medical Services
 Income from Pharmacy
 Other operating revenues

Year ended 31 March 2022	Year ended 31 March 2021
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295.71	252.08
11.69	9.44
1.13	1.69
308.53	263.21

20 Other Income
Interest Income on Financial Assets measured at amortised cost

 - Interest Income on Bank deposits
 - Interest Income on other financial assets
 - Interest Income on Income Tax Refund
 Miscellaneous income

Year ended 31 March 2022	Year ended 31 March 2021
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0.39	0.19
1.64	1.09
-	0.62
-	0.03
2.04	1.94

21 Employee benefits expense

 Salaries and wages
 Contribution to provident and other funds (Refer note 28.1)
 Expense on Employee stock option scheme
 Gratuity expenses (Refer note 28.2)
 Staff welfare expenses

Year ended 31 March 2022	Year ended 31 March 2021
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52.55	49.95
3.42	3.33
0.04	0.15
0.24	0.18
0.53	0.55
56.78	54.16

22 Finance costs
(a) Interest costs :-

 Interest on Financial Liabilities measured at amortised cost
 Interest on bank overdrafts and loans
 Interest on obligations under finance leases
 Interest on obligations under deferred payment obligation
 Interest on Capital Contribution from Holding Company
 Corporate Guarantee Charges
 Interest on defined benefit obligations (Refer note 28.2)
 other

Year ended 31 March 2022	Year ended 31 March 2021
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37.41	59.47
16.01	19.28
13.27	25.51
-	-
3.39	6.20
4.73	8.47
0.05	0.03
0.00	0.14

(b) Other borrowing costs :-

Bank charges

4.21	0.92
41.66	60.57

23 Depreciation and amortisation expense

 Depreciation of property, plant and equipment
 Amortisation of intangible assets

Year ended 31 March 2022	Year ended 31 March 2021
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44.81	35.99
5.53	5.53
50.34	41.52

HCG SUN Hospitals LLP
Notes to the financial information for the year ended on 31 March 2022

(Rs in million)

24 Other expenses	Year ended 31 March 2022	Year ended 31 March 2021
Medical consultancy charges	82.34	87.00
Power and fuel	9.31	9.94
House Keeping and Security Expenses	4.40	4.66
Rent (Refer note 27.1)	0.34	1.24
Repairs and Maintenance		
- Buildings	0.29	0.40
- Machinery	4.96	4.73
- Others	1.97	0.86
Insurance	0.42	0.43
Rates and Taxes	4.51	4.02
Printing and Stationery	0.00	0.02
Telephone Expenses	0.69	0.70
Advertisement, Publicity and Marketing	1.28	1.45
Travelling and Conveyance	2.61	1.78
Legal and Professional Fees	0.84	0.19
Lab Charges	2.37	5.07
Audit Fee	0.46	0.41
Provision for doubtful debts	2.00	0.47
Miscellaneous expenses	0.43	0.76
	119.21	124.13
24.1 Payments to auditors		
a) For audit	0.44	0.41
b) For taxation matters	0.02	0.00
	0.46	0.41
25 Income tax expense		
25.1 Income tax recognised in the Statement of profit and loss	Year ended 31 March 2022	Year ended 31 March 2021
In respect of the current year		
Deferred tax		
In respect of the current year	67.49	(30.63)
	67.49	(30.63)
25.2 Deferred tax balances	Year ended 31 March 2022	Year ended 31 March 2021
Deferred Tax Assets	10.88	78.37
Total	10.88	78.37
25.3 Income tax asset	Year ended 31 March 2022	Year ended 31 March 2021
Advance tax (net of provision for tax)	16.90	6.45
	16.90	6.45
26 Commitments	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	3.48	0.19

28 Employee benefit plans

28.1 Defined contribution plans

The Firm has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Firm 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	Year ended	Year ended
	31-Mar-22	31-Mar-21
Contribution to Provident Fund & Pension Scheme	3.42	3.33
Contribution to Employee State Insurance Scheme	-	-
	<u>3.42</u>	<u>3.33</u>

28.2 Defined benefit plans

The Firm 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 were as follows.

	Valuation as at	
	31-Mar-22	31-Mar-21
Discount rate(s)	5.00%	6.00%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of return on plan assets	NA	NA
Employee turnover rate	45.00%	45.00%
Mortality Rates	IAL2012-14Ult	IAL2012-14Ult

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

	31-Mar-22	31-Mar-21
Current service cost	0.24	0.18
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.05	0.03
Components of defined benefit costs recognised in the Statement of profit and loss	0.28	0.21
Service cost recognised in employee benefits expense in Note 21	0.24	0.18
Net interest expense recognised in finance costs in Note 22	0.05	0.03
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(0.01)	0.02
Actuarial (gains) / losses arising from experience adjustments	0.09	0.01
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement on the net defined benefit liability recognised in other comprehensive income	0.08	0.03

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

	31-Mar-22	31-Mar-21
Present value of funded defined benefit obligation	0.96	0.59
Fair value of plan assets	-	-
Funded status	0.96	0.59
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	0.96	0.59

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

	31-Mar-22	31-Mar-21
Opening defined benefit obligation	0.59	0.41
Current service cost	0.24	0.18
Interest cost	0.05	0.03
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(0.01)	0.02
Actuarial gains and losses arising from experience adjustments	0.09	0.01
Past service cost	-	-
Liabilities extinguished on settlements	-	(0.06)
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation	0.96	0.59

29 Impact of COVID-19 on Business

The number of new cases of COVID-19 which had reached its lowest level in the first week of February 2021 has geared up significantly in March 21. Different forms of restrictions have been imposed by various state governments and local bodies to control this strong second wave of the pandemic but these restrictions are not as severe as the lockdown during the first wave. The Company's operations are currently running at normal levels.

The Company has made a detailed assessment of its liquidity position and recoverability of carrying amount of financial and non-financial assets and concluded that there are no material adjustments required in the financial statements for the year ended March 31, 2022. Management believes that it has considered all the possible impacts of known events arising from the COVID -19 pandemic in the preparation of financial statements for the year ended March 31, 2022. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor changes to the future economic conditions for any material impact on its business as the situation evolves.

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by HARSHIL
RAJENDRA PATEL
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Dr. Bharat Gadhavi
Designated Partner

Dr. B S Ramesh
Designated Partner

Place : Ahmedabad
Date : 25/05/2022

Place : Ahmedabad
Date : 25/05/2022