

INDEPENDENT AUDITOR'S REPORT

To the Members of Suchirayu Health Care Solutions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Suchirayu Health Care Solutions Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and the Statement of Cash Flows for year then ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Responsibility of Management for 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.



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A further description of our responsibilities for the audit of the Ind AS financial statements is included in **Annexure “A”** of this auditor’s report. This description, which is located at page number 6 of this report, forms part of our auditor’s report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure “B”**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 standalone financial statements comply with the Indian Accounting Standards (to the extent applicable) prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure “C”**.
 - g) In our opinion and according to the information and explanation given to us, no managerial remuneration has been paid or provided as per the provisions of section 197(16) read with Schedule V to the Companies Act, 2013 and hence the compliance with the aforesaid section of the Companies Act, 2013 is not applicable to the Company.



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

- i. The Company does not have pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 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) of the Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material misstatement.



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- v. The Company has not declared dividend or paid during the year and hence the compliance with section 123 of the Companies Act, 2013 is not applicable to the Company.

For J A A & Associates

Chartered Accountants

FRN No. 013699S



Archana Ashok

Partner

Membership No. 214453

UDIN: 22214453AKPDEG9413

Place: Bengaluru

Date: 25-05-2022



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Annexure A to the Independent Auditor's Report of even date to the members of **Suchirayu Health Care Solutions Limited**

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

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls over financial reporting of the Company system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.
- e) 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.



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Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, make 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.

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



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Annexure B to the Independent Auditor's Report of even date on the financial statements of **Suchirayu Health Care Solutions Limited**

- i. According to the information and explanations given to us,
 - 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 Property, Plant and Equipment were physically verified by the management in accordance with a regular programme of verification at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and nature of its assets.
 - c) According to the information and explanations given to us, the title deeds of all the immovable properties are held in the name of the Company as at the balance sheet date.
 - d) The Company has not revalued its Property, Plant and Equipment during the year and hence the provisions of paragraph 3(i)(d) of the Order is not applicable to the Company.
 - e) There are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, and hence the provisions of paragraph 3(i)(e) of the Order is not applicable to the Company.
- ii. According to the information and explanations given to us,
 - a) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification, and in our opinion, the coverage and procedure of such verification by the management is appropriate;
 - b) the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year, and the provisions of paragraph 3(ii)(b) of the Order is not applicable to the Company



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- iii. The Company has not made investment, provided any guarantee or security or granted any loans and advances in nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Hence paragraph 3 (iii) (a) to (f) of the Order are not applicable to the Company.
- iv. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013 apply. Accordingly, paragraph 3 (iv) of the order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year from the public covered under section 73 to Sec 76 of the Companies Act 2013 and hence reporting under paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any of the activities of the company and accordingly Paragraph 3(vi) of the Order is not applicable.
- vii. According to the information and explanations given to us, in respect of Statutory dues:
 - a. the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Customs Duty, Goods and Service Tax (GST), cess and any other material statutory dues applicable to it, with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Custom Duty, Cess and any other material statutory dues in arrears as at 31st of March, 2022 for a period of more than six months from the date they became payable.
 - b. There were no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st of March 2022 on account of disputes.
- viii. According to the information and explanation given and our examination of the records of the Company, there are no transactions that are not recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



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- ix. (a) According to the information and explanation given and our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or interest thereon to any lenders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanation given to us, term loans were applied for the purpose for which they were raised.
- (d) On an overall examination of the financial statements of the Company, the company has not raised funds for short term basis and hence reporting on clause 3(ix)(d) of the Order is not applicable.
- (e) The Company does not have any subsidiaries, associates or joint ventures and hence reporting on clause 3(x)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiaries, associates or joint ventures and hence reporting on clause 3(x)(f) of the Order is not applicable.
- x. According to the information and explanation given to us, in respect of moneys raised by way of initial public offer or further public offer and preferential allotment or private placement, we report the following:
- a) the Company has not raised moneys by way of initial public offer or further public offer including debt instruments. Hence, the provision of paragraph 3(x)(a) is not applicable to the Company.
- b) The Company has made any preferential allotment or private placement of shares during the year and in respect of which the Company complied with section 42 of the Act and amount raised have been applied for the purposes for which the funds are raised.
- xi. To the best of our knowledge and according to the information and explanations given to us, no fraud by or on the Company and no material fraud on the Company has been noticed or reported during the year. Hence provision of paragraph 3(xi)(a) to (c) is not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) (a) to (c) of the Order is not applicable.



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- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us, with respect to internal audit we report the following:
- a) The Company has an internal audit system commensurate with the size and nature of its business
 - b) We have considered the reports of the internal auditors in forming our audit opinion.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions of paragraph 3(xvi)(a) to (d) are not applicable to the Company.
- xvii. Company has not incurred cash losses in the financial year ended 31st March 2022. However, in the immediately preceding financial year the Cash loss is amounted to Rs.316.88Lakhs.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- 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, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is 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;



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- xx. With respect to Corporate Social Responsibility, we report as below:
- There are no ongoing projects for which requirements of sub-section (5) of Section 135 of the Act are applicable
 - There are no amounts remaining unspent as per sub-section (5) of section 135 of the Companies Act. Hence the provisions of paragraph 3(xx)(b) are not applicable to the Company.
 - We are reporting on the standalone Financial Statements of Suchirayu Health Care Solutions Limited. There are no subsidiaries to the Company and hence the provisions of paragraph 3(xx)(c) are not applicable to the Company.
- xxi. Company's financial statements are standalone financial statements and hence the provisions of paragraph 3(xxi) is not applicable to the company.

For J A A & Associates

Chartered Accountants

FRN No. 013699S



Archana Ashok

Partner

Membership No. 214453

UDIN: 22214453AKPDEG9413

Place: Bengaluru

Date: 25-05-2022



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Annexure C to the Independent Auditor's Report of even date on the financial statements of **Suchirayu Health Care Solutions Limited**

Report on the Internal financial controls over financial reporting of the Company under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company of Suchirayu Health Care Solutions Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal financial controls over financial reporting of the Company

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



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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting of the Company and such internal financial controls were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J A A & Associates

Chartered Accountants

FRN No. 013699S



Archana Ashok

Partner

Membership No. 214453

UDIN: 22214453AKPDEG9413

Place: Bengaluru

Date: 25-05-2022



Suchirayu Health Care Solutions Limited
Notes forming part of the financial statements

Summary of Significant Accounting Policies and Other Explanatory Information

1. Corporate information

Suchirayu Health Care Solutions Limited is an unlisted public limited company, incorporated on 06-01-2011, under Companies Act, 1956. The company is running a 250 bedded tertiary health care multi super specialty hospitals, providing world class quality health care services.

On November 18th 2021, Suchirayu Healthcare Solutions Limited ('Company') becomes the subsidiary of HealthCare Global Enterprises Limited

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These 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.

2.1 Basis of preparation of the financial statements

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has been affected the previously reported financial position, financial performance and cash flows is of the Company is provided in Note 43.

b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are in Indian Rupees lakhs except share data and per share data, unless otherwise stated.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

| Items | Measurement |
|--|---|
| Certain financial assets and liabilities | Fair Value |
| Net Defined Benefit (Asset)/Liability | Fair Value of plan assets less present value of defined benefit obligations |

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.



Suchirayu Health Care Solutions Limited
Notes forming part of the financial statements

Summary of Significant Accounting Policies and Other Explanatory Information

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates involving judgments and the use of assumptions in the financial statements have been disclosed below:

Judgements

- Note 3 - Property, plant and equipment:
Timing of capitalisation and nature of cost capitalised.

Assumptions and estimation uncertainties

- Note 3 - Estimation of useful life of property, plant and equipment

- Note 26 - Recognition and measurement of provisions and contingencies:
Key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 31 - Employee benefit plans:
Key actuarial assumptions.

- Note 9 and 32 - Expected credit loss :
Forward adjustment to the collected trend

e) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company's has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurement, including level 3 fair values, and reports directly to the chief financial officer. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).



Summary of Significant Accounting Policies and Other Explanatory Information

2.2 Summary of significant accounting policies

(a) 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 are 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.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. The Company recognizes a deferred income (contract liability) if consideration has been received (or has become receivable) before the company transfers the promised goods or services to the customer

Disaggregation of revenue

The Company disaggregates revenue from hospital services (medical and healthcare services), sale of medical and non-medical items and other operating income. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

Dividend and interest income



Summary of Significant Accounting Policies and Other Explanatory Information

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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. Dividend income is recognised when the Company's right to receive dividend is established.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions or an average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

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

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

(c) 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.

(d) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.



Summary of Significant Accounting Policies and Other Explanatory Information

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund and employee state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Provident fund and Employee State Insurance

Contribution towards provident fund and employee state insurance for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

ii. Defined benefit plans

Gratuity: A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Compensated leave: Compensated absences are provided for based on actuarial valuation carried out by an independent actuary as at the balance sheet date using the projected unit credit method.



Summary of Significant Accounting Policies and Other Explanatory Information

iii. 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 compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

iv. 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.

(e) Taxation

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

(i) 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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

(ii) 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.

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax



Summary of Significant Accounting Policies and Other Explanatory Information

liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12, Income Taxes defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

(f) Property, plant and equipment

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

The Company depreciates property, plant and equipment over the estimated useful life on a straight line basis from the date the assets are ready for intended use. The estimated useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 are as follows:

| | |
|-------------------------------|------------|
| Buildings | - 60 years |
| Plant and Medical | - 15 years |
| Computers | - 3 years |
| Furniture and Fixture | - 10 years |
| Vehicles | - 10 years |
| Life saving medical equipment | - 15 years |

Pro-rata depreciation is provided from/up to the date of purchase or disposal, for assets purchased or sold during the year.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

The change in this accounting estimate is to be applied prospectively in accordance with Ind AS 8, "Accounting policies, changes in accounting estimate and errors' and has an impact on depreciation and amortisation expense.

(g) Inventories



Summary of Significant Accounting Policies and Other Explanatory Information

Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for GST wherever applicable applying FIFO method. Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

(h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. 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).

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

(i) Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that



Summary of Significant Accounting Policies and Other Explanatory Information

otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)."

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

a) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

b) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets



Summary of Significant Accounting Policies and Other Explanatory Information

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(j) Impairment

a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a Company of financial assets is impaired. Ind AS 109 - Financial Instruments requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates.

b) Non-financial assets

Tangible and Intangible assets

Property, plant and equipment, capital work-in-progress and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(k) Earnings / loss per share (EPS)



Summary of Significant Accounting Policies and Other Explanatory Information

Basic earnings / loss per share is computed by dividing profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings / loss per share is computed by dividing the 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.

(l) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

(m) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregate. Bank overdrafts and investment in liquid mutual funds are classified as cash and cash equivalents for the purpose of cash flow statement, as they form an integral part of an entity's cash management.

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less. For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(o) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis.



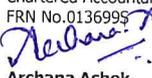
Suchirayu Health Care Solutions Limited
Balance Sheet as at 31 March, 2022
(All amounts are in Lakhs ₹, unless otherwise stated)

| | Notes | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|---|-------|------------------------|------------------------|-----------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, Plant and equipment | 3 | 9,327.98 | 9,546.58 | 9,911.22 |
| Financial assets | | | | |
| (i) Other financial assets | 4 | 41.44 | 41.86 | 31.06 |
| Income tax assets (net) | 5 | 353.35 | 118.72 | 217.81 |
| Other non-current assets | 6 | - | - | - |
| Total non-current assets | | 9,722.77 | 9,707.16 | 10,160.09 |
| Current assets | | | | |
| Inventories | 7 | 100.25 | 32.03 | 24.09 |
| Financial assets | | | | |
| (i) Investments | 8 | - | 0.01 | 0.01 |
| (ii) Trade receivables | 9 | 431.11 | 344.13 | 239.88 |
| (iii) Cash and cash equivalents | 10 | 924.22 | 190.89 | 569.97 |
| (iv) Other financial assets | 4 | 77.07 | 53.39 | 48.22 |
| Other current assets | 6 | 253.70 | 81.99 | 53.48 |
| Total current assets | | 1,786.34 | 702.44 | 935.65 |
| Total assets | | 11,509.11 | 10,409.60 | 11,095.74 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 11 | 4,460.00 | 1,160.00 | 1,160.00 |
| Other equity | 12 | (5,778.22) | (5,982.84) | (5,437.38) |
| Total Equity | | (1,318.22) | (4,822.84) | (4,277.38) |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | 13 | 10,072.64 | 11,009.27 | 11,130.88 |
| (ii) Other financial liabilities | 14 | - | 480.00 | 480.00 |
| Provisions | 15 | 63.87 | 1.78 | 1.22 |
| Total non-current liabilities | | 10,136.51 | 11,491.05 | 11,612.10 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | 13 | 4.43 | 21.43 | 391.43 |
| (ii) Trade payables | 16 | | | |
| -Total outstanding dues to micro enterprises and small enterprises | | 6.85 | 1.81 | 0.92 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,730.12 | 1,974.93 | 1,810.63 |
| (iii) Other financial liabilities | 14 | 122.08 | 475.95 | 412.49 |
| Provisions | 15 | 23.95 | 0.09 | 0.06 |
| Contract Liabilities | 17 | - | 1,037.82 | 896.01 |
| Other current liabilities | 18 | 803.39 | 229.36 | 249.48 |
| Current tax liabilities (net) | | - | - | - |
| Total current liabilities | | 2,690.81 | 3,741.39 | 3,761.02 |
| Total equity and liabilities | | 11,509.11 | 10,409.60 | 11,095.74 |

Summary of significant accounting policies 2

The notes referred to above form integral part of financial statements.

As per our report of even date

for **J A & Associates**
Chartered Accountants
FRN No. 013699S

Archana Ashok
Partner
Membership No: 214453



UDIN: 22214453AKPDEG9413

Place: Bengaluru
Date: 25th May 2022

for and on behalf of the Board of Directors of Suchirayu Health Care Solutions Limited


Dr. Rajendra Dugani
Managing Director
DIN: 01652214

Place: Hubli
Date: 25th May 2022


Ashwini Kalburgi
Company Secretary

Place: Hubli
Date: 25th May 2022


Srinivasa V. Raghavan
Non Executive Director
DIN: 1803376

Place: Bengaluru
Date: 25th May 2022


Basavaraj Parnatti
Chief Financial Officer

Place: Hubli
Date: 25th May 2022



Suchirayu Health Care Solutions Limited
Statement of Profit and Loss for the year ended 31 March, 2022
(All amounts are in Lakhs ₹, unless otherwise stated)

| | Notes | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 19 | 8,313.37 | 5,592.71 |
| Other income | 20 | 154.91 | 313.30 |
| Total income | | 8,468.27 | 5,906.00 |
| Expenses | | | |
| Cost of material consumed | 21 | 455.02 | (7.94) |
| Employee benefits expenses | 22 | 401.92 | 0.93 |
| Depreciation and amortization expense | 23 | 490.77 | 451.48 |
| Finance costs | 24 | 1,059.77 | 1,397.54 |
| Other expenses | 25 | 5,838.97 | 4,609.40 |
| Total expenses | | 8,246.45 | 6,451.40 |
| Profit for the year before Tax | | 221.82 | (545.40) |
| Exceptional items | | - | - |
| Profit for the year before Tax | | 221.82 | (545.40) |
| Tax expense | | | |
| Current tax | | - | - |
| Adjustment of tax relating to earlier periods | | - | - |
| Tax adjustment for earlier years | | - | - |
| Deferred tax | | - | - |
| Income tax expense | | - | - |
| Profit (Loss) for the year after Tax | | 221.82 | (545.40) |
| Profit/(loss) from discontinued operations | | - | - |
| Tax expense of discontinued operations | | - | - |
| Profit/(loss) from Discontinued operations (after tax) | | - | - |
| Profit for the period (A) | | 221.82 | (545.40) |
| Other comprehensive income | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | (17.20) | (0.06) |
| Income tax effect | | - | - |
| Other comprehensive income for the year, net of tax (B) | | (17.20) | (0.06) |
| Total comprehensive income for the year (A+B) | | 204.62 | (545.46) |
| Earnings per share (nominal value of ₹10 each) | | | |
| Basic and diluted earning per share | 27 | 0.94 | (4.70) |

The notes referred to above form integral part of financial statements.

As per our report of even date

for **J A A & Associates**
Chartered Accountants
FRN No.013699S


Archana Ashok
Partner
Membership No: 214453



UDIN: 22214453AKPDEG9413

Place: Bengaluru
Date : 25th May 2022

for and on behalf of the Board of Directors of Suchirayu Health Care Solutions Limited


Dr. Rajendra Dugani
Managing Director
DIN: 01652214

Place: Hubli
Date : 25th May 2022


Ashwini Kalburgi
Company Secretary

Place: Hubli
Date : 25th May 2022


Srinivasa V. Raghavan
Non Executive Director
DIN: 1803376

Place: Bengaluru
Date : 25th May 2022


Basavaraj Parnatti
Chief Financial Officer

Place: Hubli
Date : 25th May 2022



Suchirayu Health Care Solutions Limited
Cash Flow Statement for the year ended 31 March, 2022
(All amounts are in Lakhs ₹, unless otherwise stated)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 221.82 | (545.40) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 490.77 | 451.48 |
| Excess provisions / liabilities written back | (123.90) | (286.21) |
| Finance costs | 1,033.78 | 1,371.07 |
| Bad and doubtful debts/advances written off | 0.12 | 23.15 |
| Provision for bad and doubtful on Trade Receivables | 132.32 | 39.56 |
| Interest income on bank deposits | (5.41) | (12.12) |
| Provision for gratuity and leave encashment | 29.99 | 0.53 |
| Operating loss before working capital changes | 1,779.49 | 1,042.06 |
| Movements in working capital | | |
| Decrease/(Increase) in Trade receivables | (219.41) | (154.50) |
| Decrease/(Increase) in Other current financial assets | (18.37) | (25.06) |
| Decrease/(Increase) in Other non-current financial assets | 0.42 | (10.80) |
| Decrease/(Increase) in Other non-current assets | - | - |
| Decrease/(Increase) in Other current assets | (171.70) | (41.00) |
| Decrease/(Increase) in Inventory | (68.21) | (7.94) |
| Increase/(Decrease) in Trade payables | (77.12) | 384.92 |
| Increase/(Decrease) in Other current financial liabilities | 13.26 | (0.07) |
| Increase/(Decrease) in Other financial liabilities- non current | (480.00) | - |
| Increase/(Decrease) in Other current liabilities | 574.03 | (20.12) |
| Increase/(Decrease) in Contract Liabilities | (1,037.82) | 141.81 |
| Increase/(Decrease) in Provision | - | - |
| Cash flow from operating activities | 294.57 | 1,309.32 |
| Income tax paid (net) | (234.63) | 99.09 |
| Net cash (used in) / flow from operating activities (A) | 59.94 | 1,408.41 |
| B. Cash flow from investing activities | | |
| Proceeds from disposal of property, plant and equipment | - | - |
| Purchase of property, plant and equipment | (272.17) | (86.84) |
| Interest income received | 0.10 | 32.02 |
| (Increase)/Decrease in deposits maintained with bank - Other Bank Balance | (420.50) | 64.42 |
| Issue of shares | 3,300.00 | - |
| Net cash flow used in investing activities (B) | 2,607.43 | 9.60 |
| C. Cash flow from financing activities | | |
| Interest paid | (1,400.91) | (1,261.06) |
| Proceeds from borrowings | - | - |
| Repayment of Borrowings | (953.63) | (471.61) |
| Net cash used in financing activities (C) | (2,354.55) | (1,732.67) |
| Net decrease in cash and cash equivalents (A + B + C) | 312.83 | (314.66) |
| Net foreign exchange difference | - | - |
| Cash and cash equivalent at the beginning of the year (refer note 7) | 134.07 | 448.73 |
| Cash and cash equivalents at the end of the year | 446.89 | 134.07 |
| Components of cash and cash equivalents as at the year end | | |
| Cash on hand | 4.61 | 6.52 |
| Balances with scheduled banks | | |
| On current accounts | 442.29 | 127.55 |
| Cash and cash equivalents at the end of the year (Refer Note 7) | 446.89 | 134.07 |

Note: The Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind-AS - 7 on Statement of Cash Flows notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended).

for J A A & Associates

Chartered Accountants

FRN No. 013699S

Archana Ashok

Archana Ashok

Partner

Membership No: 214453

UDIN: 22214453AKPDEG9413

Place: Bengaluru

Date : 25th May 2022



for and on behalf of the Board of Directors of
Suchirayu Health Care Solutions Limited

Dr. Rajendra Dugani
Dr. Rajendra Dugani
Managing Director
DIN: 01652214

S. Raghavan
Srinivasa V. Raghavan
Non Executive Director
DIN: 1803376

Place: Hubli
Date : 25th May 2022

Place: Bengaluru
Date : 25th May 2022

Ashwini Kalburgi
Ashwini Kalburgi
Company Secretary

Basavaraj Parnatti
Basavaraj Parnatti
Chief Financial Officer

Place: Hubli
Date : 25th May 2022

Place: Hubli
Date : 25th May 2022



Suchirayu Health Care Solutions Limited
Statement of Changes in Equity as at 31 March, 2022
(All amounts are in Lakhs ₹, unless otherwise stated)

A. Equity share capital

As at 1 April 2020

Add: Issued and subscribed during the year

As at 31 March 2021

Add: Issued and subscribed during the year

As at 31 March 2022

| | Equity shares | |
|--|---------------|----------|
| | Number | Amount |
| As at 1 April 2020 | 1,16,00,000 | 1,160.00 |
| Add: Issued and subscribed during the year | - | - |
| As at 31 March 2021 | 1,16,00,000 | 1,160.00 |
| Add: Issued and subscribed during the year | 3,30,00,000 | 3,300.00 |
| As at 31 March 2022 | 4,46,00,000 | 4,460.00 |

(B) Other equity

| Particulars | Reserves and Surplus | | Other reserves | Total |
|--|----------------------|-------------------|----------------------------|-------------------|
| | Capital reserve | Retained earnings | Other Comprehensive Income | |
| Balance as at 01 April 2020 | 133.81 | (5,571.19) | - | (5,437.38) |
| Additions during the year | | | | |
| Profit for the year | - | (545.40) | (0.06) | (545.46) |
| Items of the other comprehensive income, net of tax | | | | |
| Remeasurement gain on defined benefit plans | - | - | - | - |
| Balance as at 31 March 2021 | 133.81 | (6,116.59) | (0.06) | (5,982.84) |
| Additions during the year | | | | |
| Profit for the year | - | 221.82 | - | 221.82 |
| Items of the other comprehensive income, net of tax | | | | |
| Remeasurement loss on defined benefit plans | - | - | (17.20) | (17.20) |
| Balance as at March 31, 2022 | 133.81 | (5,894.77) | (17.26) | (5,778.22) |

The notes referred to above form integral part of financial statements.

for J A A & Associates
Chartered Accountants
FRN No.013699S


Archana Ashok
Partner
Membership No: 214453

UDIN: 22214453AKPDEG9413

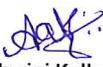
Place: Bengaluru
Date : 25th May 2022



for and on behalf of the Board of Directors of Suchirayu Health Care Solutions Limited


Dr. Rajendra Dugani
Managing Director
DIN: 01652214

Place: Hubli
Date : 25th May 2022


Ashwini Kalburgi
Company Secretary

Place: Hubli
Date : 25th May 2022


Srinivasa V. Raghavan
Non Executive Director
DIN: 1803376

Place: Bengaluru
Date : 25th May 2022


Basavaraj Parnatti
Chief Financial Officer

Place: Hubli
Date : 25th May 2022



Suchitrayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

Note 3

Property, plant and equipment

| | Land | Building | Electrical Fittings | Motor Vehicles | Computer hardware | Plant and Machinery | Furniture and fixtures | Office Equipment's | Total |
|------------------------------------|---------------|-----------------|---------------------|----------------|-------------------|---------------------|------------------------|--------------------|------------------|
| Gross carrying amount | | | | | | | | | |
| Deemed cost as at 1 April 2020 | 344.91 | 6,471.36 | - | 9.28 | 12.73 | 2,691.73 | 379.12 | 2.09 | 9,911.23 |
| Additions | - | 6.07 | - | 16.27 | 4.95 | 56.40 | 3.14 | - | 86.83 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | 344.91 | 6,477.43 | - | 25.55 | 17.68 | 2,748.13 | 382.26 | 2.09 | 9,998.06 |
| Additions | - | - | - | 12.24 | 15.59 | 238.94 | 5.40 | - | 272.17 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2022 | 344.91 | 6,477.43 | - | 37.80 | 33.28 | 2,987.07 | 387.66 | 2.09 | 10,270.23 |
| Accumulated depreciation | | | | | | | | | |
| Balance as at 1 April 2020 | - | - | - | - | - | 263.92 | 67.18 | 0.67 | 451.48 |
| Depreciation charge for the year | - | 111.33 | - | 3.14 | 5.24 | - | - | - | - |
| Disposals | - | - | - | - | 5.24 | 263.92 | 67.18 | 0.67 | 451.48 |
| Balance as at 31 March 2021 | - | 111.33 | - | 3.14 | 5.24 | 294.33 | 67.62 | 0.72 | 490.77 |
| Depreciation charge for the year | - | 111.38 | - | 6.18 | 10.54 | - | - | - | - |
| Disposals | - | - | - | - | - | 558.25 | 134.80 | 1.39 | 942.26 |
| Balance as at 31 March 2022 | - | 222.72 | - | 9.32 | 15.78 | - | - | - | - |
| Net carrying amount | | | | | | | | | |
| Balance as at 31 March 2022 | 344.91 | 6,254.72 | - | 28.47 | 17.50 | 2,428.81 | 252.87 | 0.70 | 9,327.98 |
| Balance as at 31 March 2021 | 344.91 | 6,366.10 | - | 22.41 | 12.44 | 2,484.21 | 315.09 | 1.42 | 9,546.58 |
| Balance as at 1 April 2020 | 344.91 | 6,471.36 | - | 9.28 | 12.73 | 2,691.73 | 379.12 | 2.09 | 9,911.22 |

Note:

i. **Deemed carrying cost**
For property, plant and equipment existing as on the date of transition to Ind AS, i.e., 01 April 2020, the Company has used previous GAAP carrying value as deemed cost. Information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows:

| Description | Land | Building | Electrical Fittings | Motor Vehicles | Computer hardware | Plant and Machinery | Furniture and fixtures | Office Equipment's | Total |
|-------------------------------------|---------------|----------------|---------------------|----------------|-------------------|---------------------|------------------------|--------------------|----------------|
| Cost | 344.91 | 7033.23 | 0.00 | 20.52 | 85.36 | 4013.17 | 624.28 | 3.54 | 12125.01 |
| Accumulated depreciation | 0.00 | -561.87 | 0.00 | -11.24 | -72.63 | -1321.44 | -245.15 | -1.45 | -2213.78 |
| Net book value as per previous GAAP | 344.91 | 6471.36 | 0.00 | 9.28 | 12.73 | 2691.73 | 379.12 | 2.09 | 9911.23 |
| Deemed cost | 344.91 | 6471.36 | 0.00 | 9.28 | 12.73 | 2691.73 | 379.12 | 2.09 | 9911.23 |

ii. None of the assets has been purchased under any leasing arrangement

iii. Asset have been pledged or offered as security for any loan/borrowings: Term loan taken from YES Bank Limited is secured by equitable mortgage of land and building, hypothecation of movable and immovable assets.

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

Note 4 - Other financial assets

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|------------------------------------|--------------------------------|--------------------------------|-------------------------------|
| Non-current | | | |
| Security deposit | 41.44 | 41.86 | 31.06 |
| | 41.44 | 41.86 | 31.06 |
| Current | | | |
| Unbilled Revenue | 69.52 | 51.15 | 26.09 |
| Interest accrued on fixed deposits | 7.55 | 2.24 | 22.13 |
| | 77.07 | 53.39 | 48.22 |

Note 5 - Income Tax Assets (Net)

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|--|--------------------------------|--------------------------------|-------------------------------|
| Balances with Government authorities - TDS | 353.35 | 118.72 | 217.81 |
| | 353.35 | 118.72 | 217.81 |

Note 6 - Other assets

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|------------------------------|--------------------------------|--------------------------------|-------------------------------|
| Current | | | |
| Unsecured, Considered good - | | | |
| Prepaid expenses | 105.36 | 16.65 | 25.79 |
| Advances to employees | 9.05 | 4.30 | 2.18 |
| Advances to vendors | 132.52 | 61.03 | 25.50 |
| Other Receivables | 6.77 | - | - |
| | 253.70 | 81.99 | 53.47 |
| Non-current | | | |
| | - | - | - |
| | - | - | - |

Note 7-Inventories

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|--------------------|--------------------------------|--------------------------------|-------------------------------|
| Stock in trade | 100.25 | 32.03 | 24.09 |
| | 100.25 | 32.03 | 24.09 |

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

Note 8 - Investments

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|-------------|------------------------|------------------------|-----------------------|
| Investments | - | 0.01 | 0.01 |
| | - | 0.01 | 0.01 |

Note 9 - Trade receivables

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|--|------------------------|------------------------|-----------------------|
| Unsecured, considered good | 713.89 | 494.65 | 365.83 |
| Trade Receivables | (282.78) | (150.52) | (125.95) |
| Less: Allowance for Expected Credit Loss | | | |
| | 431.11 | 344.13 | 239.88 |

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.

Disclosure of trade receivables as at 31-03-2022:

| Particulars | Outstanding for following period from due date of payment | | | | | Total |
|---|---|--------------------|--------------|--------------|------------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1 - 2 year | 2 - 3 year | More than 3 year | |
| Undisputed Trade Receivables considered good | 521.12 | 112.41 | 10.23 | 70.13 | - | 713.89 |
| Undisputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Total (A) | 521.12 | 112.41 | 10.23 | 70.13 | - | 713.89 |
| Less: Allowance for bad and doubtful debts (expected credit loss allowance) | | | | | | (282.78) |
| Total (B) | 521.12 | 112.41 | 10.23 | 70.13 | - | 431.11 |

Disclosure of trade receivables as at 31-03-2021:

| Particulars | Outstanding for following period from due date of payment | | | | | Total |
|---|---|--------------------|--------------|--------------|------------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1 - 2 year | 2 - 3 year | More than 3 year | |
| Undisputed Trade Receivables considered good | 293.14 | 77.41 | 21.36 | 10.44 | 92.29 | 494.65 |
| Undisputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Total (A) | 293.14 | 77.41 | 21.36 | 10.44 | 92.29 | 494.65 |
| Less: Allowance for bad and doubtful debts (expected credit loss allowance) | | | | | | (150.52) |
| Total (B) | 293.14 | 77.41 | 21.36 | 10.44 | 92.29 | 344.13 |

Disclosure of trade receivables as at 01-04-2020:

| Particulars | Outstanding for following period from due date of payment | | | | | Total |
|---|---|--------------------|--------------|--------------|------------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1 - 2 year | 2 - 3 year | More than 3 year | |
| Undisputed Trade Receivables considered good | 233.87 | 17.97 | 18.70 | 50.13 | 45.15 | 365.83 |
| Undisputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Total (A) | 233.87 | 17.97 | 18.70 | 50.13 | 45.15 | 365.83 |
| Less: Allowance for bad and doubtful debts (expected credit loss allowance) | | | | | | (125.95) |
| Total (B) | 233.87 | 17.97 | 18.70 | 50.13 | 45.15 | 239.88 |

Note 10 - Cash and cash equivalents

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|--|------------------------|------------------------|-----------------------|
| Cash on hand | 4.61 | 6.52 | 1.99 |
| Balances with banks: Current Accounts | 442.29 | 127.55 | 446.74 |
| Other Bank Balance: Fixed deposits and bank guarantee | 477.32 | 56.82 | 121.24 |
| | 924.22 | 190.89 | 569.97 |

Note 11 - Share capital

Authorised Share Capital

As at 01 April 2020
Increase/(decrease) during the year
As at 31 March 2021
Increase/(decrease) during the year
As at 31 March 2022

| Equity shares | |
|--------------------|-----------------|
| Number | Amount |
| 1,50,00,000 | 1,500.00 |
| - | - |
| 1,50,00,000 | 1,500.00 |
| 3,30,00,000 | 3,300.00 |
| 4,80,00,000 | 4,800.00 |

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

Issued equity capital

| Equity shares of INR 10 each issued, subscribed and fully paid | |
|--|-----------------|
| Number | Amount |
| 1,16,00,000 | 1,160.00 |
| - | - |
| 1,16,00,000 | 1,160.00 |
| 3,30,00,000 | 3,300.00 |
| 4,46,00,000 | 4,460.00 |

Details of shareholders holding more than 5% shares in the company

| Name of the shareholder | 31 March 2022 | | 31 March 2021 | | 1 April 2020 | |
|--|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | Number of shares | % holding | Number of shares | % holding | Number of shares | % holding |
| Individuals having control | | | | | | |
| Dharmastalam Shylendra | NA | NA | 6,35,000 | 5.47% | 6,35,000 | 5.47% |
| MAHESH NALWAD | NA | NA | 6,50,000 | 5.60% | 6,50,000 | 5.60% |
| Harish Joshi | NA | NA | 6,50,000 | 5.60% | 6,50,000 | 5.60% |
| Suresh Korlahalli | NA | NA | 6,65,000 | 5.73% | 6,65,000 | 5.73% |
| Sharmabasappa Hallad | NA | NA | 7,00,000 | 6.03% | 7,00,000 | 6.03% |
| Arvind Yelamali | NA | NA | 7,70,000 | 6.64% | 7,70,000 | 6.64% |
| Dattatraya Nadejar | NA | NA | 8,50,000 | 7.33% | 8,50,000 | 7.33% |
| Sadashivayya Soppimath | NA | NA | 10,00,000 | 8.62% | 10,00,000 | 8.62% |
| Narendra Hiregooudar | NA | NA | 10,10,000 | 8.71% | 10,10,000 | 8.71% |
| Rajendra Duqani | NA | NA | 10,20,000 | 8.79% | 10,20,000 | 8.79% |
| Holding Company | | | | | | |
| Health Care Global Enterprises Limited | 3,50,55,000 | 78.60% | NA | NA | NA | NA |
| Other Entities | | | | | | |
| Health Care Global Enterprises Limited | NA | NA | 20,55,000 | 17.72% | 20,55,000 | 17.72% |
| | 3,50,55,000 | 78.60% | 1,00,05,000 | 86.25% | 1,00,05,000 | 86.25% |

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

| Name of the entity | 31 March 2022 | |
|--|--------------------|---------------|
| | Number of shares | % holding |
| Holding Company | | |
| Health Care Global Enterprises Limited | 3,50,55,000 | 78.60% |
| | 3,50,55,000 | 78.60% |

Additional notes on Share Capital

| Shares held by promoters as at | 31-03-2022 | | | 31-03-2021 | | | 01-04-2020 | | |
|--|---------------|----------------------------|--------------------------------------|---------------|----------------------------|--------------------------------------|---------------|----------------------------|--------------------------------------|
| | No. of Shares | Percentage of total shares | Percentage of change during the year | No. of Shares | Percentage of total shares | Percentage of change during the year | No. of Shares | Percentage of total shares | Percentage of change during the year |
| Promoter Name | | | | | | | | | |
| Rajendra Ishwarappa Duqani | 10,20,000.00 | 2.29% | -98% | 10,20,000.00 | 8.79% | 0% | 10,20,000.00 | 8.79% | 0% |
| Narendra Shankargouda Hiregooudar | 10,10,000.00 | 2.26% | -98% | 10,10,000.00 | 8.71% | 0% | 10,10,000.00 | 8.71% | 0% |
| Sadashivayya Shadaksharayya Soppimath | 10,00,000.00 | 2.24% | -98% | 10,00,000.00 | 8.62% | 0% | 10,00,000.00 | 8.62% | 0% |
| Arvind Gurubasappa Yelamali | 7,70,000.00 | 1.73% | -98% | 7,70,000.00 | 6.64% | 0% | 7,70,000.00 | 6.64% | 0% |
| Suresh Andanappa Korlahalli | 6,65,000.00 | 1.49% | -99% | 6,65,000.00 | 5.73% | 0% | 6,65,000.00 | 5.73% | 0% |
| Dharmastalam Subramanyashastry Shylendra | 6,35,000.00 | 1.42% | -99% | 6,35,000.00 | 5.47% | 0% | 6,35,000.00 | 5.47% | 0% |

Note 12 - Other Equity

| Particulars | As at | As at | As at |
|--|-------------------|-------------------|-------------------|
| | 31 March 2022 | 31 March 2021 | 1st April 2020 |
| Capital reserve | | | |
| Balance at the beginning of the year | 133.81 | 133.81 | 133.81 |
| Premium on shares issued during the year | - | - | - |
| Balance at the end of the year | 133.81 | 133.81 | 133.81 |
| Other items of OCI | | | |
| As at the commencement of the year | (0.06) | - | - |
| Add: Additions during the year | (17.20) | (0.06) | - |
| Less: Reclassified to profit or loss | - | - | - |
| Balance at the end of the year | (17.26) | (0.06) | - |
| Retained earnings | | | |
| As at the commencement of the year | (6,116.59) | (5,571.19) | (4,485.58) |
| Allowance for Expected Credit Loss | - | - | (110.95) |
| Add: Profit/(Loss) for the Year | 221.82 | (545.40) | (974.66) |
| Balance at the end of the year | (5,894.77) | (6,116.59) | (5,571.19) |
| | (5,778.22) | (5,982.84) | (5,437.38) |

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

Note 13 - Borrowings

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|--|------------------------|------------------------|-----------------------|
| Non-Current | | | |
| Secured - at amortised cost: | | | |
| Term loan from banks | 10,072.64 | 10,053.58 | 10,175.20 |
| Unsecured - at amortised cost: | | | |
| Loans from related parties | - | 239.68 | 239.66 |
| Loans from other parties | - | 716.01 | 716.02 |
| | 10,072.64 | 11,009.27 | 11,130.88 |
| Current | | | |
| Current maturities of Long-term debt - Secured | 4.43 | 21.43 | 21.43 |
| Current maturities of Unsecured loans | - | - | 370.00 |
| | 4.43 | 21.43 | 391.43 |

Term loan taken from YES Bank Limited carries interest at Bank's 12 month MCLR + spread rate of 1.9% p a and is repayable over a 15 years term in quarterly instalments. Loan is secured by equitable mortgage of all movable and immovable assets. Further collateral security of mortgage on personal property of promoters Dr. Rajendra Dugnai, Dr Arvind Yelamali and Dr. Narendra Hiregoudar has been provided.

Note 14 - Other financial liabilities

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|---|------------------------|------------------------|-----------------------|
| Non-Current | | | |
| Security deposits for services | - | 480.00 | 480.00 |
| | - | 480.00 | 480.00 |
| Current | | | |
| Interest accrued but not due on borrowings | 72.00 | 91.75 | 94.36 |
| Current maturities of security deposits to services | - | 36.00 | 36.00 |
| Interest accrued and due on loans and advances | - | 347.38 | 281.24 |
| Employee related Liabilities | 50.08 | 0.81 | 0.89 |
| | 122.08 | 475.95 | 412.49 |

Note 15 - Provisions

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|---------------------------------|------------------------|------------------------|-----------------------|
| Non current | | | |
| Provision for employee benefits | 42.56 | 1.08 | 0.76 |
| -Gratuity | 21.31 | 0.70 | 0.46 |
| -Leave benefits | - | - | - |
| | 63.87 | 1.78 | 1.22 |
| Current | | | |
| Provision for employee benefits | 11.56 | 0.03 | 0.02 |
| -Gratuity (refer note 30) | 12.38 | 0.07 | 0.04 |
| -Leave benefits | - | - | - |
| | 23.95 | 0.09 | 0.06 |

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

Note 16 - Trade payables*

| Particulars | As at | As at | As at |
|--|-----------------|-----------------|-----------------|
| | 31 March 2022 | 31 March 2021 | 1 April 2020 |
| Total outstanding dues of micro enterprises and small enterprises (refer note 34) | 6.85 | 1.81 | 0.92 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,730.12 | 1,974.93 | 1,810.63 |
| Total | 1,736.97 | 1,976.74 | 1,811.55 |

* for details related to related parties - refer note 42

Disclosure of Trade Payables as at 31-03-2022

| Particulars | Outstanding for following period from due date of payment | | | | Total |
|------------------------|---|---------------|--------------|------------------|-----------------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 year | |
| MSME | 6.85 | - | - | - | 6.85 |
| Others | 1,411.82 | 171.60 | 10.06 | 136.64 | 1,730.12 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 1,418.67 | 171.60 | 10.06 | 136.64 | 1,736.97 |

Disclosure of Trade Payables as at 31-03-2021

| Particulars | Outstanding for following period from due date of payment | | | | Total |
|------------------------|---|---------------|------------|------------------|-----------------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 year | |
| MSME | 1.81 | - | - | - | 1.81 |
| Others | 1,595.29 | 240.30 | - | 139.35 | 1,974.93 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 1,597.10 | 240.30 | - | 139.35 | 1,976.74 |

Disclosure of Trade Payables as at 01-04-2020

| Particulars | Outstanding for following period from due date of payment | | | | Total |
|------------------------|---|--------------|---------------|------------------|-----------------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 year | |
| MSME | 0.92 | - | - | - | 0.92 |
| Others | 1,603.23 | 67.91 | 123.53 | 15.96 | 1,810.63 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 1,604.15 | 67.91 | 123.53 | 15.96 | 1,811.55 |

Note 17 - Contract liabilities

| Particulars | As at | As at | As at |
|---|---------------|-----------------|---------------|
| | 31 March 2022 | 31 March 2021 | 1 April 2020 |
| Current | - | 1,037.82 | 896.01 |
| Share of Gross Revenue to Healthcare Global Enterprises Limited | - | 1,037.82 | 896.01 |
| Total | - | 1,037.82 | 896.01 |

Note 18 - Other Liabilities

| Particulars | As at | As at | As at |
|-------------------------------|---------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 | 1 April 2020 |
| Current | 167.10 | 7.10 | 41.65 |
| Dues to statutory authorities | 636.29 | 222.26 | 207.83 |
| Advance from customers | - | - | - |
| Total | 803.39 | 229.36 | 249.48 |

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

Note 19 - Revenue from operations

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|------------------------------|-------------------------------------|-------------------------------------|
| Income from Medical Services | 7,852.16 | 5,350.18 |
| Other Operating Revenues* | 461.21 | 242.53 |
| | 8,313.37 | 5,592.71 |

*The Company has entered into an agreement KLE Academy of Higher Education Research (KAHER) whereby, KAHER can use the facilities, premises, OT, nursing staff and available expertise as an extension to its college for academic purposes. Suchirayu hospital will continue running the medical hospital independently as well under the agreement.

Note 20 - Other income

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Interest income on Bank deposits | 5.41 | 12.12 |
| Other gains and losses | | |
| Interest income on Income Tax Refund | - | 10.89 |
| Provisions/ Liabilities no longer payable written back* | 123.90 | 286.21 |
| Miscellaneous income | 25.60 | 4.08 |
| | 154.91 | 313.30 |

* Liabilities/provisions no longer payable includes:

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Provision for expenses for goods and service | - | 163.61 |
| Other liabilities no longer payable | 123.90 | 56.12 |
| One time settlement agreement for loans/borrowings | - | 66.48 |
| | 123.90 | 286.21 |

Note 21 - Cost of material consumed

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Inventory at the beginning of the year | 32.03 | 24.09 |
| Purchases during the year | 523.24 | - |
| | 555.27 | 24.09 |
| Inventory at the end of the year | 100.25 | 32.03 |
| | 100.25 | 32.03 |
| Cost of materials consumed | 455.02 | (7.94) |

Note 22 - Employee benefits expenses

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus | 311.87 | 0.40 |
| Contribution to provident and other funds | 30.59 | - |
| Gratuity expense | 13.60 | 0.26 |
| Expenses for Compensated Absences | 16.39 | 0.26 |
| Staff welfare expense | 29.47 | - |
| | 401.92 | 0.93 |

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
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Note 23 - Depreciation and amortization expense

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Depreciation on tangible assets | 490.77 | 451.48 |
| | 490.77 | 451.48 |

Note 24 - Finance costs

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Bank charges | 25.99 | 26.47 |
| Interest expense on bank overdraft and loans | 1,033.78 | 1,371.07 |
| | 1,059.77 | 1,397.54 |

Note 25 - Other expenses

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Power and fuel | 87.80 | - |
| Rent | 6.61 | - |
| Testing Charges | 195.57 | - |
| Repairs and maintenance | 119.55 | - |
| -Machinery | 8.66 | 8.64 |
| -Building | 153.31 | 165.26 |
| -Others | 9.03 | 6.64 |
| Insurance | 113.32 | 33.73 |
| Rates and taxes | 1,024.03 | 254.93 |
| Legal and professional charges | 5.90 | 5.90 |
| Auditors' Remuneration (Refer Note 25.1) | 3,806.17 | 3,903.31 |
| Medical service expenses | 29.22 | - |
| Advertising and sales promotion | 7.87 | - |
| Telephone and other communication expenses | - | 165.20 |
| Operation and management expenses | 132.32 | 39.56 |
| Provision for doubtful debts | 0.12 | 23.15 |
| Bad debts written off | 12.38 | - |
| Security & house keeping charges | 57.95 | 0.34 |
| Travelling and conveyance | 24.93 | 0.03 |
| Printing and stationery | 18.51 | 2.69 |
| Miscellaneous expenses | 25.73 | - |
| Health Camp Expenses | - | - |
| | 5,838.97 | 4,609.40 |

Note 25.1 Payment to auditors

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Payments to Statutory Auditor (Net of Service Tax and GST): | | |
| For Statutory audit | 3.75 | 3.75 |
| For Tax audit | 1.25 | 1.25 |
| For Other services | - | - |
| | 5.00 | 5.00 |

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Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

Note 26 - Contingent liabilities

Contingent liabilities and commitments (to the extent not provided for)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 | For the year ended 01 April 2020 |
|--|---|---|---|
| i) Contingent liabilities for EPCG | - | 44,48,078 | 44,48,078 |
| ii) The Company is involved in other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business and are outstanding as at Balance Sheet dates. The Company believes that this will not have any material adverse effect on its financial statements for the year ended 31st March 2022 (Previous Year Nil). | | | |

| Note 27 - Earnings per share | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Net profit for the year attributable to owners of the Company | 221.82 | (545.40) |
| Weighted average number of equity shares | 2,37,15,068 | 1,16,00,000 |
| Par value per share | 10 | 10 |
| Basic and diluted earning per share (₹) | 0.94 | (4.70) |

Note: The Company did not have any potentially dilutive securities in any of the year presented.

Suchirayu Health Care Solutions Limited**Notes forming part of financial statements**

(All amounts are in Lakhs ₹, unless otherwise stated)

Note 28 - Segment reporting

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'. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Geographical Information

Geographical information analyses the company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

i) Revenue from Operations:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--------------------|---|---|
| India | 8,313.37 | 5,592.71 |
| | 8,313.37 | 5,592.71 |

ii) Non Current Assets*:

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--------------------|--------------------------------|--------------------------------|
| India | 9,681.33 | 9,665.30 |
| | 9,681.33 | 9,665.30 |

*Non-current assets exclude financial assets and deferred tax assets

Suchirayu Health Care Solutions Limited
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Note 29: Ind AS 115 - Revenue from contract

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|---|---|
| (a) Receivables | | |
| i) Trade receivables: Refer note 9 | 431.11 | 344.13 |
| ii) Unbilled revenue : Refer note 4 | 69.52 | 51.15 |
| (b) The Company does not have any contract asset as at 31 March 2022 and 31 March 2021 | | |
| (c) The contract liability amount from contracts with customers is given below : | | |
| Advance from customers : Refer note 18 | 636.29 | 222.26 |
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period | 222.26 | 207.83 |
| (d) Revenue dis-aggregation as per the industry vertical and geographies has been included in note 19, revenue from operations | | |

Suchirayu Health Care Solutions Limited
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Note 30 - Analytical Ratios

| Particulars | Numerator | Denominator | For the year ended 31-03-2022 | For the year ended 31-03-2021 | Variance in Ratios | Reasons for variance (Refer Note below) |
|---------------------------------|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------|---|
| Current Ratio | Current Assets | Current Liabilities | 0.66 | 0.19 | 254% | (i) |
| Debt-Equity Ratio | Total Debt | Time Based Equity Share Capital* | 4.25 | 9.51 | -55% | (ii) |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | 0.90 | 0.57 | 57% | (iii) |
| Return on Equity Ratio | Net Profits after taxes | Time Based Equity Share Capital* | 9.35% | -47.02% | -120% | (iv) |
| Inventory Turnover Ratio | Cost of material consumed | Average Inventory | 6.88 | (0.28) | -2531% | (v) |
| Trade Receivable Turnover Ratio | Net Credit Sales | Average Trade Receivables | 7.13 | 3.84 | 86% | (vi) |
| Trade Payables Turnover Ratio | Purchases and other expenses | Average Trade Payables | 3.29 | 2.38 | 38% | (vii) |
| Net Capital Turnover Ratio | Revenue | Working Capital | (9.19) | (1.84) | 399% | (viii) |
| Net Profit Ratio | Net Profits | Net Sales | 2.67% | -9.75% | -127% | (ix) |
| Return on Capital Employed | Earnings before interest and taxes | Capital employed | 14.63% | 13.73% | 7% | NA |

Note:

- (i) There is improvement in current year on account of funding received from HealthCare Global Enterprises Limited. This resulted in clearing some of old dues. Also Trade receivable days outstanding has reduced as compared to previous year.
- (ii) Reduction in negative net worth (shareholder's equity) due to primary funding by HealthCare Global Enterprises Limited during the current year and profit during the current year.
- (iii) There is better performance during the current year compared to previous year
- (iv) The Company has made profits during the current year, further there is capital infusion as well. Hence the ratio are not comparable.
- (v) There is increase of cost in materials consumed during the current year
- (vi) Revenue growth along with improvement in recoverability of receivables has resulted in an improvement in the ratio.
- (vii) There is an increase in the ratio or on account of increase in purchases and other expenses during the current year
- (viii) There is significant reduction in negative working capital pursuant to primary funding by HealthCare Global Enterprises Limited and due to increase in revenue during the current year
- (ix) Profit in current year as compared to loss during the previous year

* For the purpose of calculating Debt- Equity Ratio and Return on Equity Ratio, the Company has considered time based equity share capital instead of shareholder's equity and average shareholder's equity respectively as shareholder's equity accumulated losses includes and the company's net worth is negative..

Suchirayu Health Care Solutions Limited
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Note 31 - Employee benefits:

Defined Contribution Plans

The Company has defined contribution plan in form of Provident Fund 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 under employee benefit expenses in respect of such schemes are given below

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Contribution to Provident Fund included under contribution to provident and other funds. | 30.59 | - |
| | 30.59 | - |

Defined Benefit Plans

(i) Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date.

These plans typically expose the company to actuarial risks such as: Interest rate risk, Liquidity risk, Salary escalation risk, demographic Risk and Regulatory risk.

| | |
|------------------|---|
| Discount rate | Variations in discount rate don't affect the level of benefits under the plan. However, it is still a very significant assumption as it does affect the discount due to time value of money. A fall in discount rate will increase the present value of the obligation. |
| Salary increases | Since the plan benefits are linked to final salary, higher than expected salary increases will increase the cost of benefits under the plan. An increase in the salary escalation assumption will increase the present value of the obligation. |
| Attrition rates | Deviations in actual attrition experience compared to the attrition assumption will change the level of benefits and therefore the cost of those benefits. A change in the attrition assumption will also affect the present value of the obligation. |
| Mortality | Deviations in actual mortality experience compared to the mortality assumption will change the level of benefits and affect the cost of those benefits. A change in the mortality assumption will affect the present value of the obligation. |
| Regulatory risk | Since the minimum benefits under the plan are set by law, there is risk that a change in law could require the employer to pay higher benefits, increasing the cost as well as the present value of obligation. |

Actuarial Valuation Method:

The valuation has been carried out using the Projected Unit Credit Method as per Ind AS 19 to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past Service Cost.

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

| | Gratuity | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Net Employee benefit expense recognized in the employee cost in statement of profit & loss account | | |
| Current service cost | 10.95 | 0.21 |
| Interest cost on benefit obligation | 2.60 | 0.05 |
| Past Service Cost | - | - |
| Expected return on plan assets | - | - |
| Sub Total | 13.56 | 0.26 |
| Recognised in Other Comprehensive Income | | |
| Net actuarial (gain)/loss recognized in the year | | |
| i. Demographic Assumptions on obligation | 4.04 | |
| ii. Financial Assumptions on obligation | 0.12 | 0.02 |
| iii. Experience Adjustments on obligation | 13.15 | 0.03 |
| Return on plan assets, excluding amount recognised in net interest expenses | - | |
| Sub Total | 17.30 | 0.05 |
| Net benefit expense | 30.85 | 0.32 |
| Balance Sheet | | |
| Benefit asset / liability | | |
| Present value of defined benefit obligation | 54.12 | 1.10 |
| Fair value of plan assets | - | - |
| Assets / (Liability) recognized in the balance sheet | 54.12 | 1.10 |
| Change in the present value of the defined benefit obligation | | |
| Opening defined benefit obligation | 1.43 | 0.78 |
| Benefit transferred in | - | - |
| Benefit transferred Out | - | - |
| Benefits paid | (0.37) | - |
| Acquisition Adjustments | 22.20 | - |
| Expenses Recognised in Statement of Profit and Loss Account | | |
| Current service cost | 10.95 | 0.21 |
| Interest cost on benefit obligation | 2.60 | 0.05 |
| Recognised in Other Comprehensive Income | | |
| Actuarial (gain)/loss on obligation | 17.30 | 0.05 |
| Closing defined benefit obligation | 54.12 | 1.10 |
| Bifurcation of Present Value of Obligation at the end of the year | As at | As at |
| | 31 March 2022 | 31 March 2021 |
| Current Liability (Short term) | 11.56 | 0.03 |
| Non-Current Liability (Long term) | 42.56 | 1.08 |
| Present Value of Obligation | 54.12 | 1.10 |
| Change in the fair value of plan assets | | |
| Opening fair value of plan assets | - | - |
| Contributions by employer | - | - |
| Investment Income | - | - |
| Benefits paid | - | - |
| Return on plan assets, excluding amount recognised in net interest expenses | - | - |
| Closing fair value of plan assets | - | - |
| Assumptions | | |
| Discount Rate (% p.a) | 5.40% | 6.51% |
| Expected rate of salary increase (%) | 7.50% | 7.00% |
| Mortality rate | IAL2012-14Ult | IALM 2012-14 |
| Normal retirement age | 60 Years | 58 Years |
| Attrition / Withdrawal rates per annum | 36.30% | 5.00% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
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Amounts of Defined benefit plan for the current and previous periods are as follows

| | Present value of Defined benefit obligation | Surplus / (deficit) | Experience adjustments on plan liabilities | Experience adjustments on plan assets |
|----------------|---|---------------------|--|---------------------------------------|
| March 31, 2022 | 54.12 | (54.12) | - | - |
| March 31, 2021 | 1.10 | (1.10) | - | - |

Sensitivity analysis of the defined benefit obligation

| | 1% Increase | | 1% Decrease | |
|---|-------------|--------|-------------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| Impact of the change in Rate of Discounting | (149.00) | (0.09) | 157.00 | 0.10 |
| Impact of the change in Rate of Salary Increase | 347.00 | 0.09 | (318.00) | (0.08) |
| | 1% Increase | | 1% Increase | |
| | 2022 | 2021 | 2022 | 2021 |
| Impact of the change in Rate of Attrition | (224.00) | (0.01) | 239.00 | 0.01 |

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Compensated absences | | |
| Charge in the Statement of Profit and Loss | 16.39 | 0.26 |
| Liability as at the year end | 33.70 | 0.77 |
| Actuarial assumptions | | |
| Discount rate | 4.90% | 6.51% |
| Salary escalation | 7.50% | 7.00% |
| Retirement age | 60 Years | 58 Years |
| Withdrawal rate | 36.3% | 5.00% |

Note 32 - Fair value measurements

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other financial assets, trade payables, borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements approximate their fair values.

Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at 31 March 2022, 31 March 2021 and 01 April 2020 are as follows:

| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 1 April 2020 |
|------------------------------------|------------------------|------------------------|-----------------------|
| At Amortised Cost: | | | |
| Financial assets | | | |
| Trade receivables | 431.11 | 344.15 | 239.89 |
| Cash and cash equivalents | 924.22 | 190.89 | 569.97 |
| Other Financial Assets | 118.51 | 95.24 | 79.28 |
| Total financial assets | 1,473.83 | 630.28 | 889.14 |
| Financial liabilities | | | |
| Trade payables | 1,736.97 | 1,976.74 | 1,811.55 |
| Borrowings | 10,077.07 | 11,030.70 | 11,522.31 |
| Other Financial Liabilities | 122.08 | 955.95 | 892.49 |
| Total financial liabilities | 11,936.12 | 13,963.39 | 14,226.35 |

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risks which may adversely impact the fair value of its financial

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, unbilled revenue, security deposit, investments, cash and cash equivalents, bank deposits and loans. 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.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions

Credit risk managed on the entity level basis. For banks and financial institutions, only high rated banks/institutions are accepted. For other financial assets, the entity assesses and manages credit risk based on financial position, past experience and other factors.

A default on a financial asset is when the counterparty fails to makes contractual payment resulting in a financial loss.

Trade receivables are unsecured comprise a widespread customer base. Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. 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 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 wherever required. 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.

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

| Category | 31-Mar-22 | 31-Mar-21 | 01-Apr-20 |
|-------------------|------------|------------|------------|
| Less than 1 Year | 10% to 35% | 10% to 25% | 10% to 25% |
| 1-2 years | 50% | 50% | 50% |
| 2-3 years | 100% | 100% | 100% |
| More than 3 years | 100% | 100% | 100% |

ii) Movement in the expected credit loss allowance

| | 31-Mar-22 | 31-Mar-21 |
|--------------------------------------|-----------|-----------|
| Balance at the beginning of the year | 150.52 | 125.9 |
| Additional provision during the year | 132.26 | 24.57 |
| Balance at the end the year | 282.78 | 150.52 |

No single customer accounted for more than 10% of the revenue as of 31st March 2022, 31 March 2021 & 31 March 2020. There is no significant concentration of credit risk.

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Impact of COVID-19 (Global pandemic)

Trade receivables forms a significant part of the financial assets carried at amortized cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, the Company has evaluated the likelihood of increased credit risk and consequential default considering emerging Covid-19 situation. This assessment considers the current collection pattern across various customers. The Company is closely monitoring the developments across various customers and states. Basis this assessment, provision made towards ECL is considered adequate.

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.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The management analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

All non-derivative financial liabilities, for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amount disclosed in the financial statements are the contractual undiscounted cash flows other than borrowings. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant other than borrowings

| Contractual maturities of financial liabilities 31 March 2022 | Within 1 year | 1-2 Years | 2-3 years | 3-4 years | More than 4 years | Total |
|--|--------------------------------|------------------|------------------|------------------|------------------------------------|------------------|
| Non- derivatives | | | | | | |
| Borrowings | 4.43 | 356.56 | 534.31 | 534.31 | 8,714.54 | 10,144.13 |
| Trade Payables | 1,736.97 | - | - | - | - | 1,736.97 |
| Other financial liabilities | 122.08 | - | - | - | - | 122.08 |
| Total non - derivatives | 1,863.48 | 356.56 | 534.31 | 534.31 | 8,714.54 | 12,003.18 |

| Contractual maturities of financial liabilities 31 March 2021 | Within 1 year | 1-2 Years | 2-3 years | 3-4 years | More than 4 years | Total |
|--|--------------------------------|------------------|------------------|------------------|------------------------------------|------------------|
| Non- derivatives | | | | | | |
| Borrowings | 21.43 | 977.12 | 322.56 | 534.31 | 9,248.85 | 11,104.25 |
| Trade Payables | 1,976.74 | - | - | - | - | 1,976.74 |
| Other financial liabilities | 475.95 | - | - | - | 480.00 | 955.95 |
| Total non - derivatives | 2,474.12 | 977.12 | 322.56 | 534.31 | 9,728.85 | 14,036.94 |

| Contractual maturities of financial liabilities 01 April 2020 | Within 1 year | 1-2 Years | 2-3 years | 3-4 years | More than 4 years | Total |
|--|--------------------------------|------------------|------------------|------------------|------------------------------------|------------------|
| Non- derivatives | | | | | | |
| Borrowings | 391.43 | 21.43 | 977.11 | 439.95 | 9,772.44 | 11,602.35 |
| Trade Payables | 1,811.55 | - | - | - | - | 1,811.55 |
| Other financial liabilities | 412.49 | - | - | - | 480.00 | 892.49 |
| Total non - derivatives | 2,615.47 | 21.43 | 977.11 | 439.95 | 10,252.44 | 14,306.39 |

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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 interest rates.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments. Such risks are overseen by the Company's corporate treasury department as well as senior management.

(i) Interest rate risk exposure

The exposure of Company's borrowing to interest rate changes at the end of the reporting period are as follows

| Particulars | 31-Mar-22 | 31-Mar-21 |
|--|------------------|------------------|
| Variable long term borrowings including current maturities | 10,077.07 | 11,030.70 |
| Total borrowings | 10,077.07 | 11,030.70 |

(ii) Sensitivity Analysis

The Company's management meets on a need basis to formulate the strategy for Interest risk management. The impact of every increase or decrease in the MCLR on the Statement of profit or loss and total comprehensive income is given below:

| Particulars | Impact on profit or (loss) before tax | |
|--------------------------|---------------------------------------|-----------|
| | 31-Mar-22 | 31-Mar-21 |
| Sensitivity | | |
| 1% Increase in MCLR rate | (100.77) | (110.31) |
| 1% Decrease in MCLR rate | 100.77 | 110.31 |

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Note 33 - Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns 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.

| Particulars | As at | As at | As at |
|--|-----------------|------------------|------------------|
| | 31 March 2022 | 31 March 2021 | 01 April 2020 |
| Total loans and borrowings (A) | 10,077 | 11,030.70 | 11,522.31 |
| Cash & Cash Equivalents | 924.22 | 190.89 | 569.97 |
| Net Loans & Borrowings | 9,152.85 | 10,839.81 | 10,952.34 |
| As percentage of total capital | 117% | 180% | 164% |
| Total equity attributable to the equity share holders of the company (B) | (1,318.22) | (4,822.84) | (4,277.38) |
| As percentage of total capital | -17% | -80% | -64% |
| Total capital (loans and borrowings and equity) (A+B) | 7,834.63 | 6,016.97 | 6,674.96 |

Note 34 - Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 and 31 March 2021 have been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier

| Particulars | As at | As at | As at |
|--|---------------|---------------|---------------|
| | 31 March 2022 | 31 March 2021 | 01 April 2020 |
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | 6.85 | 1.81 | 0.92 |
| - Principal | 6.85 | 1.81 | 0.92 |
| - Interest | - | - | - |
| The amount of interest paid by the buyer under MSMED Act | - | - | - |
| The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year | - | - | - |
| 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 and remaining unpaid at the end of each accounting year | - | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act | - | - | - |

Note 35 - The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Notes 36 - The Company does not have any transactions with struck off companies.

Note 37 - The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note 38 - The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 39 - The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- 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 to or on behalf of the Ultimate Beneficiaries

Note 40 - The Company have 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:

- 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.

Note 41 - The Company does not have any such 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

Note 42 - Related party transactions

Details of balances and transactions between the Company and group entities and other related parties are disclosed below.

I. List of related parties

a) Key management personnel (KMP)

| | |
|---|------------------------|
| Dr. Rajendra Dugani | Managing Director |
| Dr. Sadashivayya Soppimath | Non Executive Director |
| Dr. Suresh Korlahalli (till 18-11-2021) | Non Executive Director |
| Dr. Arvind Yelamali (till 18-11-2021) | Non Executive Director |
| Dr. Narendra Hiregoudar (till 18-11-2021) | Non Executive Director |
| Dr. B S Ajaikumar (From 18-11-2021) | Non Executive Director |
| Srinivasa V. Raghavan (From 18-11-2021) | Non Executive Director |
| Meghraj Arvindrao Gore (From 18-11-2021) | Non Executive Director |
| Anjali Ajaikumar (From 18-11-2021) | Non Executive Director |
| Jayarama Manjunath | Independent Director |
| Akash Kishore Prasad (From 25-11-2021) | Independent Director |

b) Holding & fellow Subsidiary Companies

| | |
|---------------------------|---|
| Holding Company | HealthCare Global Enterprises Limited |
| Fellow Subsidiary Company | Aceso Company Pte Ltd |
| Fellow Subsidiary Company | Healthcare Global Senthil Multi-Specialty Hospitals Private Limited |
| Fellow Subsidiary Company | Niruja Product Development and Healthcare Research Private Limited (Formerly known as MIMS HCG Oncology Private Limited) |
| Fellow Subsidiary Company | Malnad Hospital & Institute of Oncology Private Limited |
| Fellow Subsidiary Company | HCG Medi-Surge Hospitals Private Limited |
| Fellow Subsidiary Company | BACC Health Care Private Limited |
| Fellow Subsidiary Company | HCG Manavata Oncology LLP |
| Fellow Subsidiary Company | HCG SUN Hospitals LLP |
| Fellow Subsidiary Company | Apex HCG Oncology Hospitals LLP |
| Fellow Subsidiary Company | Healthcare Diwan Chand Imaging LLP |
| Fellow Subsidiary Company | HCG NCHRI Oncology LLP |
| Fellow Subsidiary Company | HCG Oncology LLP |
| Fellow Subsidiary Company | HCG EKO Oncology LLP |
| Fellow Subsidiary Company | HealthCare Global (Uganda) Private Limited |
| Fellow Subsidiary Company | HealthCare Global (Tanzania) Private Limited |
| Fellow Subsidiary Company | HealthCare Global (Kenya) Private Limited |
| Fellow Subsidiary Company | HCG (Mauritius) PVT. LTD. |
| Fellow Subsidiary Company | Healthcare Global (Africa) Pvt. Ltd. |
| Fellow Subsidiary Company | Cancer Care Kenya Limited |

c) Relatives of KMP

Ms.Anjali Ajaikumar (Daughter of Dr. B S Ajaikumar) (also Non Executive Director from 18-11-2021)

d) Company / entity in which KMP / Relatives of KMP can exercise significant influence

Malar Start Medicare Limited
 Lumos Heath Advisory Pte Ltd
 HCG Foundation
 The Bharath Charitable Cancer Hospital And Institute
 International Human Development And Upliftment Academy
 Sada Sharada Human Development And Uplipment Academy
 Sada Sharada Tumor And Researchinstitute
 JSS Bharath Charitable Trust
 Sada Sharada Diagnostic Urology Andrehabilitation Centre Private Limited
 Healthcare Process Solutions (India)Private Limited
 Kruthi Art And Design Private Limited
 (Formerly Known As 'Kruti Designers And Contractors Private Limited')
 GHA Global Healthcare Academy Private Limited
 Hiranandani Healthcare Private Limited
 BACC Helath Care Private Limited
 HCG Medi-Surge Hospitals Private Limited
 Malnad Hospital and Institute of Oncology Private Limited
 BACC Health Care Private Limited
 Niruja Product Development and Healthcare Research Private Limited
 Healthcare Global Senthil Multi-Specialty Hospitals Private Limited
 Akshitara Consulting LLP
 APEX HCG Oncology Hospitals LLP
 HCG NCHRI Oncology LLP
 HCG Manavata Oncology LLP
 Gutti Malnad Hospital LLP
 Malnad Hi-Tech Diagnostic Centre LLP
 Equator games LLP

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

II. Transactions with related parties

Summary of transactions with related parties is as follows:

| Particulars | Relation | Purchase of Medicine and non medical items | Medical test charges | Rendering of services | Liability transferred to Suchirayu on account of acquisition | Cross Charged (net)* |
|---------------------------------------|------------------------|--|----------------------|-----------------------|--|----------------------|
| HealthCare Global Enterprises Limited | Holding Company | 147.01 | 172.46 | - | 38.74 | 166.64 |
| Dr. Rajendra Dugani | Whole time Director | - | - | 122.52 | - | - |
| Dr. Sadashivayya Soppimath | Non Executive Director | - | - | (85.87) | - | - |
| Dr. Suresh Korlahalli | Non Executive Director | - | - | 64.52 | - | - |
| Dr. Narendra Hiregoudar | Non Executive Director | - | - | (33.51) | - | - |
| Dr. Arvind Yelamali | Non Executive Director | - | - | 70.98 | - | - |
| | | - | - | (61.27) | - | - |
| | | - | - | 94.34 | - | - |
| | | - | - | (63.00) | - | - |
| | | - | - | 1.17 | - | - |
| | | - | - | (1.64) | - | - |
| | | 147.01 | 172.46 | 353.52 | 38.74 | 166.64 |
| | | - | - | (245.29) | - | - |

Note: figure in bracket represents previous year figures

* Cross charged (net) - Cross charged by the Holding Company to the Company (Rs.189.64 lakhs) and Company to the Holding Company (Rs.20.06 lakhs) has shown net of Rs.166.64 lakhs

III. Balances outstanding at the end of the year

| Particulars | Relation | Trade Payables | Borrowings |
|---------------------------------------|------------------------|-----------------|-----------------|
| HealthCare Global Enterprises Limited | Holding Company | 473.02 | - |
| Dr. Rajendra Dugani | Whole time Director | - | - |
| Dr. Sadashivayya Soppimath | Non Executive Director | (37.97) | (118.09) |
| Dr. Suresh Korlahalli | Non Executive Director | 18.09 | - |
| Dr. Narendra Hiregoudar | Non Executive Director | (50.44) | - |
| Dr. Arvind Yelamali | Non Executive Director | 6.62 | - |
| | | (27.46) | (17.69) |
| | | 15.00 | - |
| | | (45.89) | (8.88) |
| | | 0.90 | - |
| | | (0.90) | (95.00) |
| | | 513.62 | - |
| | | (162.66) | (239.68) |

Note: figure in bracket represents previous year figures

Note 43 - First Time Adoption of Ind AS

On November 18th 2021, Suchirayu Healthcare Solutions Limited ('Company') becomes the subsidiary of HealthCare Global Enterprises Limited pursuant to which Ind AS is applicable. Accordingly, the financial statements of the Company is prepared in accordance with Ind AS for the year ended 31st March 2022.

For the purpose of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2020 as the transition date. Accordingly, the Company has prepared financial statements for the comparative period data as at and for the year ended 31 March 2021 that comply with the Ind AS applicable, as described in the summary of significant accounting policies. In preparing these comparative financial statements, the Company's opening Balance Sheet was prepared as at 01 April 2020, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 01 April 2020 and the comparative financial statements as at and for the year ended 31 March 2021.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A Ind AS optional exemptions

A1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101, First-time adoption of Indian Accounting Standards, permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as on the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the company has elected to measure all of its property, plant and equipment at their carrying value as at the transition date and use that as deemed cost as on the date of transition. The company has elected to measure its intangible assets at their previous GAAP carrying value.

B Ind AS mandatory exemptions

B1 De-recognition of financial assets and liabilities

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101, First-time Adoption of Indian Accounting Standards, allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind AS.

B2 Classification and measurement of financial assets

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109, Financial Instruments are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- a) The effects of the retrospective application or retrospective restatement are not determinable; or
- b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; or
- c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
 (All amounts are in Lakhs ₹, unless otherwise stated)

B3 Estimates

In accordance with Ind AS, as at the date of transition to Ind AS an entity's estimates shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2020 are consistent with the estimates as at the same date made in conformity with previous GAAP except for impairment of financial assets based on Expected credit loss in accordance with Ind AS on the date of transition as this was not required as per previous GAAP.

C Reconciliation between previous GAAP and Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS as at the periods specified below.

C1 Reconciliation of other equity

The Company has also prepared a reconciliation of equity as at 31 March 2021 and 01 April 2020 under the previous GAAP with the equity as reported in these financial statements under Ind AS, that reflect the impact of Ind AS on the components of statement of Balance Sheet which is presented below:

| Reconciliation of total equity as at 31st March, 2021 and 01st April 2020 | As at 31 March 2021 | As at 01 April 2020 |
|--|--------------------------------|--------------------------------|
| Total Equity as per previous GAAP | (4,778.64) | (4,166.43) |
| Adjustments on account of: | | |
| - Provision for doubtful debts based on expected credit loss (ECL) Model | (44.20) | (110.95) |
| Total Equity as per Ind AS | (4,822.84) | (4,277.38) |

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

C2: Reconciliation of assets and liabilities presented in the Balance Sheet prepared as per Previous GAAP and as per Ind AS as at 01 April 2020 is as follows:

| | Previous GAAP* | Adjustment on transition to Ind AS | Ind AS |
|---|-------------------|------------------------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9,911.22 | | 9,911.22 |
| Financial assets | | | |
| (i) Other financial assets | 31.06 | | 31.06 |
| Income tax assets (net) | 217.81 | | 217.81 |
| Other non-current assets | 80.04 | | 80.04 |
| Total non-current assets | 10,240.13 | - | 10,240.13 |
| Current assets | | | |
| Inventories | 24.09 | | 24.09 |
| Financial assets | | | |
| (i) Investments | 0.01 | | 0.01 |
| (ii) Trade receivables | 350.83 | (110.95) | 239.88 |
| (iii) Cash and cash equivalents | 569.97 | | 569.97 |
| (iv) Other financial assets | 48.22 | | 48.22 |
| Other current assets | 53.48 | | 53.48 |
| Total current assets | 1,046.60 | (110.95) | 935.65 |
| Total assets | 11,286.73 | (110.95) | 11,175.78 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 1,160.00 | | 1,160.00 |
| Other equity | (5,326.43) | (110.95) | (5,437.38) |
| Total Equity | (4,166.43) | (110.95) | (4,277.38) |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 11,210.92 | | 11,210.92 |
| (ii) Other financial liabilities | 480.00 | | 480.00 |
| Provisions | 1.22 | | 1.22 |
| Total non-current liabilities | 11,692.14 | - | 11,692.14 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 391.43 | | 391.43 |
| (ii) Trade payables | | | |
| -Total outstanding dues to micro enterprises and small enterprises | 0.92 | | 0.92 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,810.63 | | 1,810.63 |
| (iii) Other financial liabilities | 412.49 | | 412.49 |
| Provisions | 0.06 | | 0.06 |
| Contract Liabilities | 896.01 | | 896.01 |
| Other current liabilities | 249.48 | | 249.48 |
| Current tax liabilities (net) | - | | - |
| Total current liabilities | 3,761.02 | - | 3,761.02 |
| Total equity and liabilities | 11,286.73 | (110.95) | 11,175.78 |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

C3: Reconciliation of assets and liabilities presented in the Balance Sheet prepared as per Previous GAAP and as per Ind AS as at 31 March 2021 is as follows:

| | Previous GAAP* | Adjustment on transition to Ind AS | Ind AS |
|---|-------------------|------------------------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9,546.58 | | 9,546.58 |
| Capital work in progress | | | - |
| Financial assets | | | |
| (i) Other financial assets | 41.86 | | 41.86 |
| Income tax assets (net) | 118.72 | | 118.72 |
| Other non-current assets | 73.55 | | 73.55 |
| Total non-current assets | 9,780.71 | - | 9,780.71 |
| Current assets | | | |
| Inventories | 32.03 | | 32.03 |
| Financial assets | | | |
| (i) Investments | 0.01 | | 0.01 |
| (ii) Trade receivables | 388.33 | (44.20) | 344.13 |
| (iii) Cash and cash equivalents | 190.89 | | 190.89 |
| (iv) Other financial assets | 53.39 | | 53.39 |
| Other current assets | 81.99 | | 81.99 |
| Total current assets | 746.64 | (44.20) | 702.44 |
| Total assets | 10,527.35 | (44.20) | 10,483.15 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 1,160.00 | | 1,160.00 |
| Other equity | (5,938.64) | (44.20) | (5,982.84) |
| Total Equity | (4,778.63) | (44.20) | (4,822.84) |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 11,082.82 | | 11,082.82 |
| (ii) Other financial liabilities | 480.00 | | 480.00 |
| Provisions | 1.78 | | 1.78 |
| Deferred tax liabilities (net) | | - | - |
| Total non-current liabilities | 11,564.60 | - | 11,564.60 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 21.43 | | 21.43 |
| (ii) Trade payables | | | |
| -Total outstanding dues to micro enterprises and small enterprises | 1.81 | | 1.81 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,974.93 | | 1,974.93 |
| (iii) Other financial liabilities | 475.95 | | 475.95 |
| Provisions | 0.09 | | 0.09 |
| Contract Liabilities | 1,037.81 | | 1,037.81 |
| Other current liabilities | 229.36 | | 229.36 |
| Current tax liabilities (net) | | | |
| Non-cash distribution liability | | | |
| Total current liabilities | 3,741.38 | - | 3,741.38 |
| Total equity and liabilities | 10,527.35 | (44.20) | 10,483.15 |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Suchirayu Health Care Solutions Limited
Notes forming part of financial statements
(All amounts are in Lakhs ₹, unless otherwise stated)

C4: Reconciliation of profit and loss presented in the Statement of Profit and Loss prepared as per Previous GAAP and as per Ind AS as at 31 March 2021 is as follows:

| Note | Previous GAAP* | Adjustment on transition to Ind AS | Ind AS |
|--|-----------------|------------------------------------|-----------------|
| Income | | | |
| Revenue from operations | 5,592.71 | - | 5,592.71 |
| Other income | 313.30 | - | 313.30 |
| Total income | 5,906.00 | - | 5,906.00 |
| Expenses | | | |
| Cost of material consumed | (7.94) | - | (7.94) |
| Purchase of traded goods | - | - | - |
| (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods | - | - | - |
| Excise duty on sale of goods | - | - | - |
| Employee benefits expense | 0.99 | (0.06) | 0.93 |
| Depreciation and amortization expense | 451.48 | - | 451.48 |
| Finance costs | 1,397.54 | - | 1,397.54 |
| Other expenses | 4,676.14 | (66.75) | 4,609.40 |
| Total expenses | 6,518.21 | (66.81) | 6,451.40 |
| Profit for the year before Tax | (612.21) | 66.81 | (545.40) |
| Exceptional items | - | - | - |
| Profit for the year before Tax | (612.21) | 66.81 | (545.40) |
| Tax expense | | | |
| Current tax | - | - | - |
| Adjustment of tax relating to earlier periods | - | - | - |
| Tax adjustment for earlier years | - | - | - |
| Deferred tax | - | - | - |
| Income tax expense | - | - | - |
| Profit (Loss) for the year after Tax | (612.21) | 66.81 | (545.40) |
| Profit/(loss) from discontinued operations | - | - | - |
| Tax expense of discontinued operations | - | - | - |
| Profit/(loss) from Discontinued operations (after tax) | - | - | - |
| Profit for the period (A) | (612.21) | 66.81 | (545.40) |
| Other comprehensive income | | | |
| Re-measurement gains/ (losses) on defined benefit plans | - | (0.06) | (0.06) |
| Income tax effect | - | - | - |
| Other comprehensive income for the year, net of tax (B) | - | (0.06) | (0.06) |
| Total comprehensive income for the year (A+B) | (612.21) | 66.75 | (545.46) |

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

C5: Reconciliation of cash flow statement for the year ended 31 March 2021

| | Previous GAAP | Adjustment on transition to Ind AS | Ind AS |
|---|-----------------|------------------------------------|-----------------|
| Net cash flow from operating activities | 1,414.90 | - | 1,414.90 |
| Net cash flow from investing activities | 9.60 | - | 9.60 |
| Net cash flow from financing activities | (1,739.16) | - | (1,739.16) |
| Net increase/(decrease) in cash and cash equivalents | (314.66) | - | (314.66) |
| Cash and cash equivalents at the beginning of the year | 448.73 | - | 448.73 |
| Cash and cash equivalents at the end of the year | 134.07 | - | 134.07 |

C5 Notes:

C5.1 Defined benefit obligation

Both under the Previous GAAP and Ind AS, the Company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under the previous GAAP, actuarial gains or losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains or losses from part of remeasurement of the net defined benefit liability / asset is recognised in other comprehensive income. Change in the defined benefit obligation on account of Ind AS is recognised in the statement of profit and loss.

C5.2 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under the Previous GAAP.

C5.3 Other equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

Note 44 - Capital commitments

There are no capital and other commitments as at 31 March 2022 (31 March 2021: Nil)

Note 45 - Estimation of uncertainty relating to the global health pandemic from Covid-19

In view of the unprecedented COVID-19 pandemic and economic forecasts, the management has evaluated the impact on the Company's financial statements for the year and noted that there are no adjustments required to revenue, debtors provisioning and actuarial assumptions. In assessing the recoverability of its assets including receivables, the management has considered internal and external information including economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions as the situation evolves.

Note 46 - Comparative information

The comparative financial information of the Company for the year ended 31st March, 2021 and the transition date opening balance sheet as at 1st April 2020 included in these Ind AS financial statements are derived from the audited financial statements for the year ended 31st March, 2020 prepared in accordance with the Companies (Accounting Standards) Rules, 2015 (as amended), which are adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

Note 47 - Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property, Plant and Equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material

Note 48 - Previous year's figures

Previous figures have been regrouped/ rearranged wherever necessary.