

Independent Auditors' Report

To

The Members of C Square Healthcare Private Limited,

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of C Square Healthcare Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and 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. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows in accordance with the accounting principles generally accepted in India, under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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 the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls over financial reporting;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position.
- 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, other than as disclosed in the notes to the accounts, no funds 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(s) or entity(ies), including foreign entities ("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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("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 audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013
- vi. As required by the proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 which is applicable from 01 April 2023, the company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (editlog) facility. However, the audit trail feature was not enabled by the company throughout the period ended 31st March 2024.
- (h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.

For GVNKA & Associates

Chartered Accountants

Firm Registration No. 023904N



per **Prashanth Vellanki**

Partner

UDIN : 24226413 BK6EEK4964

Membership No. 226413

Place: Bangalore

06-Sep-2024

Annexure - A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2024, we report that:

- i. (a) 1. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
2. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company does not have a regular programme of physical verification of its fixed assets. The fixed assets have not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.
- (c) The Company does not have any immovable properties of freehold and leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, physical verification of inventory has been performed in reasonable intervals. Discrepancies of over 10% were reported and were appropriately adjusted in the books.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, thus the paragraph 3(iii)(a) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, given guarantees or securities which are prejudicial to the interest of the Company. Hence, reporting under paragraph 3(iii)(b) is not applicable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans and advances in the nature of loans. Hence, reporting under paragraph 3(iii)(c) is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans and advances in the nature of loans. Hence, reporting under paragraph 3(iii)(d) is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans and advances in the nature of loans. Hence, reporting under paragraph 3(iii)(e) is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period or repayment during the year. Hence, reporting under paragraph 3(iii)(f) is not applicable.
- iv. According to the information and explanation given to us, the Company has not granted any loans, made investments, or given guarantees and security, thus the paragraph 3(iv) of the order is not applicable.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public, thus the paragraph 3(v) of the order is not applicable.



- vi. In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 is not applicable to the Company for the year under audit.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, have not been regularly deposited with appropriate authorities and there have been instances of delays in payment. However, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable except for the cases that are disclosed below:

Name of the Statute	Nature of the Dues	Due Date	Date of Payment	Number of Days Delay	Amount
Income Tax Act, 1961	192B - TDS	07-Sep-23	27-Apr-24	233	1,42,874
Income Tax Act, 1961	192B - TDS	07-Oct-23	27-Apr-24	203	1,43,819
Income Tax Act, 1961	194I - TDS	07-Sep-23	27-Apr-24	233	2,71,479
Income Tax Act, 1961	194I - TDS	07-Oct-23	27-Apr-24	203	2,69,116
Income Tax Act, 1961	194J - TDS	07-Sep-23	27-Apr-24	233	13,70,998
Income Tax Act, 1961	194J - TDS	07-Oct-23	27-Apr-24	203	13,92,549
Income Tax Act, 1961	194C - TDS	07-Sep-23	27-Apr-24	233	25,887
Income Tax Act, 1961	194C - TDS	07-Oct-23	27-Apr-24	203	27,411
Income Tax Act, 1961	194A - TDS	07-Sep-23	27-Apr-24	233	76,920
Income Tax Act, 1961	194A - TDS	07-Oct-23	27-Apr-24	203	75,645

- (b) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has the following dues relating to Income-tax which have not been deposited on account of a dispute:

Name of the Statute	Nature of the Dues	Amount (₹)	Amount paid under protest/ Refund Adjusted (₹)	Period for which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty Proceeding	1,89,12,882	1,16,07,427	FY 2017-18 AY 2018-19	Commissioner of Income tax (Appeal)

- viii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, there are no transactions that are not recorded in the books of account, which have been surrendered or disclosed as income during the tax assessment in the Income Tax Act, 1961.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, we have observed that the Company has not defaulted in repayment of loans and borrowings or in the payment of interest.



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any outstanding loans or borrowings from government during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (d) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans for obtained.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (f) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (g) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, money raised by way of private placement were applied for the purposes for which these were obtained.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) According to the information and explanations given to us and our audit procedures, in our opinion, the Company does not have an adequate internal audit system commensurate with the size and nature of its business.
- (b) The Company does not have any Internal Auditors, hence reporting under paragraph 3(iv)(b) is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company during the year has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. (a) According to the information and explanations given to us, the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.



- (d) According to the information and explanations provided to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, paragraph 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred a cash loss of ₹50,13,839 in the current financial year and ₹2,51,92,818.44 during the immediately preceding financial year.
- xviii. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xix. (a) In our opinion and according to the information and explanations given to us, CSR is not applicable to the Company. Accordingly, paragraph 3(xx)(a) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, CSR is not applicable to the Company. Accordingly, paragraph 3(xx)(b) of the Order are not applicable.
- xx. The company does not have any subsidiaries and the report is furnished for the stand-alone financial statements. Accordingly, the provisions of paragraph 3(xx) of the said Order are not applicable.

For GVNKA & Associates

Chartered Accountants

Firm Registration No. 023904N



per Prashanth Vellanki

Partner

UDIN : 24226413 BKGEEK4964

Membership No. 226413

Place: Bangalore

06-Sep-24