

INDEPENDENT AUDITORS' REPORT

To The Members of C SQUARE HEALTHCARE PRIVATE LIMITED

Report on the audit of the financial statements

Qualified Opinion

We have audited the accompanying financial statements of **C SQUARE HEALTHCARE PRIVATE LIMITED**. ("the Company") (CIN: U85191KA2013PTC070244), which comprise the balance sheet as at March 31, 2022, and the Statement of Profit and Loss and Statement of cash flows for the year then ended, 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 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 accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2022;
- (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for opinion

- a. *Note 16 trade receivables – Rs. 43,875,415 has neither been reconciled nor confirmed from the counter parties as at the balance sheet date. The company has not maintained bill wise details outstanding of its Trade receivables; hence we are unable to provide the ageing schedule of Trade receivables. We were unable to obtain sufficient and appropriate audit evidence about the carrying amount of these accounts as at balance sheet date, in the absence of which we are unable to determine whether any adjustments to these amounts are necessary. The financial impact of these unreconciled or unconfirmed account balances, if any, could not be determined, which is non-compliance to Schedule – III of Companies Act 2013*
- b. *The company has not created Lease Equalization Reserve as required by AS 19. This leads to non-compliance of the said Accounting Standard "Accounting for Leases" issued by The Chartered Accountants of India*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified U/s 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 there under, and we have fulfilled our 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

Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters during the current financial year to be communicated in our report.

Emphasis of Matter

- a. Note no 35.d, Company has made purchases with struck off companies during FY 21-22, amounting to Rs.12,76,702
- b. Note no. 35.i. Inventories and book debts statements not submitted to bank on quarterly from quarter ending December 2021.
- c. Note no. 30 company has obtained Actuarial Valuation for gratuity for FY 21-22, no comparable comparatives are available and not provided in the reports.
- d. Note no. 10, company does not have appropriate aging details for Trade Payables of previous year FY 20 - 21

Other Information-

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report, but does not include the financial statements and our auditors' 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 the 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.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (ASs) 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.

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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

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. 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.

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 Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified



as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) As per Notification dated 13th June, 2017 issued by Ministry of Corporate Affairs for amending the earlier notification no. GSR 464(E) dated the 5th June, 2015 the requirement of reporting on the adequacy of the internal financial controls over financial reporting is not applicable to the Company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company is private limited company hence managerial remuneration paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act is not applicable to the company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the standalone financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Venu and Vinay**

Chartered Accountants

Firm Registration No 010010S



CA Anil Kumar S L

Partner

Membership No.: 219524

UDIN: U85191KA2013PTC070244

Place: Bengaluru

Date: 6th September 2022

Annexure A referred in Our Report of even date to the members of C SQUARE HEALTHCARE PRIVATE LIMITED on the accounts of the company for the year ended 31st March, 2022

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1) Fixed Assets

- a) i) The Company has not maintained proper records showing full particulars including quantitative details.
ii) The Company has not maintained proper records showing full particulars of intangible assets
- b) Fixed assets have not been physically verified by the management at reasonable intervals.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- 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 information and explanations given to us, 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.

2) Inventory

- a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- 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 been sanctioned working capital limits in excess of two crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets, The company does not have a track of details of current assets which has been provided as security to the banks and no information is available with the company (As per Books) to match the details of statement submitted by the company to the banks.

3) Loans given by Company

According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not made any investments in, not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties

- a) The company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity
- b) The Company has not made any investments, given guarantees or securities which are prejudicial to the interest of the Company. Hence, reporting under clause 3 (iii)(b) is not applicable



- c) As the company has not not granted any loans and advances in the nature of loans, Hence, reporting under clause 3 (iii)(c) is not applicable
- d) As the company has not not granted any loans and advances in the nature of loans, Hence, reporting under clause 3 (iii)(d) is not applicable
- e) As the company has not not granted any loans and advances in the nature of loans, Accordingly, provisions of clause 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 of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

4) Loan to director and investment by the company

According to the information and explanations given to us and based on the records of the company examined by us, in respect of loan, investment, guarantees and security the provision of Sections 185 and 186 of the Act is not applicable to the company.

5) Deposits

The Company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act and rules framed under. Accordingly, the provisions of clause 3(v) of the said Order are not applicable.

6) Cost Records

The maintenance of cost records specified by the Central Government under section 148(1) of the Companies Act, 2013 is not applicable by for the company.

7) Statutory Dues

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, with delays in a few cases(Less than 6 Months) of Provident fund (PF), Employees' State Insurance, Professional Tax. According to the information and explanations given to us and on the basis of our examination of the records of the Company, No undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company has the following statutory dues relating to Income-Tax which have not been deposited on account of an dispute:



Name of Statute	Amount	Amount paid under protest	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	1,89,12,882	37,82,576	FY 2017-18	Commissioner of Income Tax (Appeal)

8) Unrecorded Income

According to the information and explanation given to us, there are no transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessment in the Income Tax Act, 1961

9) Default in Repayment of Borrowings:

- 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 defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority
- 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 were obtained
- On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- On an overall examination of the financial statements of the Company, 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.
- The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies

10) Utilisation of IPO and further public offer

- The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- In our opinion and according to the information and explanations given to us, money raised by way of private placement and Right Issue were applied for the purposes for which these were obtained.

11) Reporting of Fraud

- To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year
- 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.
- As represented to us by the Management, there were no whistle blower complaints received by the Company during the year



12) Nidhi Company

According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

13) Related Party Transaction

In our opinion, 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 as required by the applicable accounting standards

14) Internal Audit

- a) Based on information and explanations provided 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 clause 3(iv)(b) is not applicable

15) Non-Cash Transaction

In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company

16) Register under RBI Act 1934

- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 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, clause 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, clause 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.

17) Cash Loss

The Company has not incurred cash losses in the current year and in the immediately preceding financial year

18) Resignation of Statutory Auditors

There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

19) Material Uncertainty

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our



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

20) Corporate Social Responsibility (CSR)

In our opinion and according to the information and explanations given to us, CSR is not applicable to the company, Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

21) Qualifications or Adverse Auditor remarks in other group companies

The Company does not have any subsidiaries and the report is furnished for the stand-alone financial statements. Accordingly, the provisions of clause 3(xx) of the said Order are not applicable.

For **Venu and Vinay**

Chartered Accountants

Firm Registration No 010010S


CA Anil Kumar S L

Partner

Membership No.: 219524

UDIN: U85191KA2013PTC070244

Place: Bengaluru

Date: 6th September 2022

