



M Panigrahi & Co Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of **SUSHRUTA MEDICAL AID AND RESEARCH HOSPITAL LTD**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of **SUSHRUTA MEDICAL AID AND RESEARCH HOSPITAL LTD** ("the Company"), which comprise the balance sheet as at 31st March 2025, 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 aforesaid 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, of the state of affairs of the Company as at 31st March, 2025, its profit/loss 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. 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 Companies Act, 2013 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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Information other than the financial statements and auditors' report thereon

The Company's management and board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

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

Emphasis of Matter

Our opinion is not modified in respect of matters described below:

- (a) Notes on accounts regarding inconsistency in accounting for Gratuity as required under AS-15, Employment Benefits.
- (b) Non- compliance with the provisions of the Payment of Bonus Act, 1965 with respect to payment of Minimum bonus for the Financial Year 2024-25.
- (c) Non- compliance with the provisions of the Income tax Act, 1961 with respect to payment of Tax deduction at source for the Financial Year 2024-25.
- (d) Non- compliance with the provisions of the Employees Provident Fund Act, 1952 with respect to remittances of the amounts deducted from employees to fund.
- (e) Notes on Accounts regarding non- compliance with the provisions of Foreign Exchange Management (Manner in Receipt and Payment) Regulations, 2016 as amended from time to time, in so far as it relates to payment towards the Import of capital goods.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 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 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. 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

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 A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

1. As required by Section 143 (3) of the Act, we report that:
 - a) Except for the effects of matter specified in the Emphasis of Matter Paragraph above, 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 Balance Sheet and the Statement of Profit & Loss comply with the Accounting Standards specified under Section 133 of the Act and read with Rule 7 of the Companies (Accounts) Rules, 2014 except in case of those mentioned in the Emphasis of Matter Paragraph.
 - e) According to information and explanations given to us and in our opinion, there are no financial transactions or matters which have any adverse effect on the functioning of the Company.



- f) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in 'Annexure B', which is based on the Auditors report of the company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.
2. 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 any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - 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 or entity, 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 it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, 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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused



us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As per Information and explanation given to us by the Company No dividend have been declared or paid during the year by the company.
- vi. As per Information and explanation given to us by the Company and based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Place:- Bangalore
Date: 28/08/2025
UDIN: 25060115BMKYZX5601

For
M Panigrahi & co
Chartered Accountants
FRN: 324889E



Manoranjan Panigrahi
(Partner)
Membership No. 060015

Annexure 'A' to the Auditors Report

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
(B) The Company does not have any intangible assets; hence this clause is not applicable to the Company.
- (b) We have been informed that management has physically verified the Fixed assets once during the year and no material discrepancies were noticed on such verification;
- (c) The title deeds of all the immovable properties are held in the name of the company
- (d) The company has not revalued its Property, Plant and Equipment (including Right of use assets) during the year.
- (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.
- (ii) As explained to us, the inventory have been physically verified by the Management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of inventory were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the Register maintained in under section 189 of the Act.
 - (a) As the company has not granted any loans, secured or unsecured to parties covered in the Register under section 189 of the Act, the clause relating to the terms and conditions of granting of such loans being not prejudicial to the Companies interest are not applicable.



- (b) As the company has not granted any loans, secured or unsecured to parties covered in the Register under section 189 of the Act, the clause relating to the terms and conditions of loan are not applicable.
- (c) As the company has not granted any loans, secured or unsecured to parties covered in the Register under section 189 of the Act, the clause relating to overdue amount for more than ninety days and recovery steps for principal and interest is not applicable.
- (iv) As there are no loans, investments, guarantees, and security relating to which the provisions of section 185 and 186 of the act applies, this clause is not applicable.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public during the year. Therefore this clause is not applicable.
- (vi) The Maintenance of cost records u/s 148(1) as specified by the Central Government under the act is not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the amount deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited during the year by the company with the appropriate authorities. The outstanding statutory dues as on 31st of March, 2025 for a period of not more than six months from the date they became payable.
- (viii) The Company has not recorded any transactions surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. As, there are no such Income, clause relating to accounting of the same is not applicable.
- (ix) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, hence this clause is not applicable.
- (a) The company has not been declared a willful defaulter by any bank or financial institution or other lender; hence this clause is not applicable.
- (b) As explained to us, the company has not defaulted in the repayment of dues to any financial institution or banks. The company does not have any debenture holders.



- (c) As explained to us, the funds raised on short term basis are not utilized for long term purposes.
- (d) 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, this clause is not applicable.
- (e) The Company has not raised loans during the year on the pledge of the securities held in its subsidiary, joint venture or associate companies; hence this clause is not applicable.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year, hence this clause is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, hence this clause is not applicable.
- (xi) (a) According to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government; hence this clause is not applicable.
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company; hence this clause is not applicable.
- (xii) The company is not a Nidhi Company, hence this clause is not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, and the details have been disclosed in the financial statements, as required by the applicable accounting standards;
- (xiv) (a) As it is not mandatory to appoint an internal auditor under section 138 of the Companies act, 2013 this clause is not applicable to the company.
- (b) As no internal audit is applicable to the company clause relating to considering the report of the internal auditor by the statutory auditor is not applicable to the company.



- (xv) According to the information and explanations given to us and based on the examination of the records of the company, the Company has not entered into any non-cash transactions with directors or persons connected with him as restricted in Section 192 of the Companies Act, 2013, hence this clause is not applicable to the Company
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, hence this clause is not applicable.
- (xvii) The company has incurred cash Profit of Rs. 4, 13, 85,196 in the current financial year and cash losses of 8,66,79,341 in the immediately preceding financial year.
- (xviii) There is no resignation of the statutory auditors during the year, hence this clause is not applicable.
- (xix) According to the information and explanations given to us and based on our examination of the records of the company and financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditors knowledge of the Board of Directors and management plans, we are of opinion that no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing on the date Balance sheet as and when they fall due within a period of one year from the balance sheet.
- (xx) The provision of section 135 are not applicable on the company and hence this clause is not applicable to the company.
- (xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place:- Bangalore

Date: 28/08/2025

UDIN: 25060115BMKYZX5601

For
M Panigrahi & co
Chartered Accountants
FRN: 324889E



Manoranjan Panigrahi
(Partner)

Membership No. 060015



M Panigrahi & Co
Chartered Accountants

Annexure 'B' to the Independent Auditors Report

Report on Internal Financial Controls over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion:

We have audited the internal financial controls over financial reporting of **SUSHRUTA MEDICAL AID AND RESEARCH HOSPITAL LTD ("the Company")** as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the company, have in all material respects, an adequate internal financial control systems over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March, 2025, 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 ICAI.



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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 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, 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 was established and maintained and if such controls operated effectively in all material respects.

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorisations 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

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

Place:- Bangalore

Date: 28/08/2025

UDIN: 25060115BMKYZX5601

For

M Panigrahi & co

Chartered Accountants

FRN: 324889E



Manoranjan Panigrahi

(Partner)

Membership No. 060015