

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited)**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31 March 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.



**Emphasis of Matter**

We draw attention to Note 50 to the Consolidated Financial Statements, which describes receipt of multiple emails alleging financial irregularities by the Holding Company/ Directors over the period from 2021 to 2024, in respect of which we were unable to obtain sufficient appropriate audit evidence with regard to existence and validity of certain Property, Plant & Equipment items purchased from a vendor which aggregated to Rs. 95.77 lakhs during the period 1 April 2021 till 31 March 2024.

Further, the Board of Directors of the Holding Company had appointed an independent firm of Chartered Accountants to investigate certain allegations stated in these emails. The report submitted by the said firm did not observe any negative findings other than an incorrect charge of Goods and service tax ('GST') by the abovementioned vendor against the purchase of certain Property, Plant & Equipment, aggregating to Rs. 18.83 lakhs, in respect of which GST has remained unrecovered till date.

Pending substantiation of the capital purchase payments including GST, made to the said vendor, as a matter of prudence, the management of the Holding Company has written off the carrying value of the Property, Plant & Equipment purchased from the said vendor including the GST thereon, amounting to Rs 77.88 lakhs, and presented it as an exceptional item in the Statement of Profit & Loss for the year ended 31 March 2024.

Our opinion is not modified in respect of the above matter.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.



## **Responsibilities of Management and Board of Directors for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("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 consolidated financial statements.



We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Consolidated Financial Statements.

**Other Matters**

- a. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of Rs. 780.81 lakhs as at 31 March 2024, total revenues of Rs. 56.14 lakhs and net cash outflows amounting to Rs. 0.41 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b. The consolidated financial statements of the Group for the year ended 31 March 2023, were audited by another auditor. They had modified their report dated 31 January 2024 with respect to certain matters which have been reproduced below:
  - i. “As described in note 30 to the consolidated financial statements for the year ended 31 March, 2023, in contravention of the provisions of section 185 of the Act, during the year ended 31 March 2022, the Company provided a guarantee of Rs.6,700 lakh to and created a charge on certain items of Land and Building and certain items of Property Plant and Equipment (medical equipment) belonging to the Company for Rs.2,827.16 lakh and Rs.1,105.83 lakh during the years ended 31 March 2022 and 31 March 2023 respectively, in favour of a lender against loans given by the lender to the Company’s Whole Time Directors. Post 31 March 2023, the Company has filed an application for compounding of the offence under section 441 of the Act which is pending adjudication and has represented that this would have no material impact on the consolidated financial statements. In the absence of sufficient appropriate audit evidence supporting the Company’s representation, we are unable to comment whether the adjudication may result in possible adjustments and/or disclosures in the consolidated financial statements.”
  - ii. “With respect to the multiple emails alleging financial fraud / liquidation of monies / money laundering by the Company/ directors over the period from 2020 to 2023 described in note 37 to the consolidated financial statements for the year ended 31 March, 2023, we were unable to obtain sufficient appropriate audit evidence with respect to a vendor for capital goods, inter-alia its existence, validity of transactions, from whom procurements aggregated Rs.95.77 lakh during the period from 1 April 2021 till 21 January



2024 (during the year ended 31 March 2023, Rs.20.47 lakh; from 1 April 2023 till date of the report, Rs.26.72 lakh, per information provided by the management). In view thereof, we are unable to opine on the nature of these transactions and the impact, if any, on these consolidated financial statements including any prior period adjustments, other disclosures and compliances that may be required.”

- c. The comparative financial information of the Group for the year ended 31 March 2024 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Act audited by the predecessor auditor whose report for the year ended 31 March 2023 dated 31 January 2024 expressed a modified audit opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.
- d. The financial information of the Group, for the transition date opening balance sheet as at 1 April 2022 included in these consolidated financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, specified under Section 133 and other relevant provisions of the Act for the year ended 31 March 2022 on which we issued an unmodified audit opinion vide our report dated 30 September 2022 on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

#### **Report on Other Legal and Regulatory Requirements**

- 1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiaries, referred to in the Other Matters section above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph h(vi) below on reporting under Rule 11(g).





- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph h(vi) below on reporting under Rule 11(g).
- g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- 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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 37 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses 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 Holding Company, and its subsidiary companies.



iv.

- a) The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, 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 Holding Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, 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.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.



v. The Company has neither declared nor paid any dividend during the year.

- vi. Based on our examination, the Group has used an accounting software for maintaining its books of account for the year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility. However, the audit trail feature has not been enabled and operated throughout the year for all transactions recorded in the accounting software (refer note 52 to the consolidated financial statements).
2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Group, as the Holding Company was a private Company as at 31 March 2024.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company, the details of Qualifications/adverse remarks in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary)	Clause number of the CARO Report which is qualified or Adverse
1	Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited)	U85110WB2005PLC102265	Holding Company	Clause iv
2	Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited)	U85110WB2005PLC102265	Holding Company	Clause vii(a)





# MSKA & Associates

Chartered Accountants

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary)	Clause number of the CARO Report which is qualified or Adverse
3	Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited)	U85110WB2005PLC102265	Holding Company	Clause xi(a)

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



**Dipak Jaiswal**  
Partner  
Membership No. 063682  
UDIN: 24063682BKATDK3008

Place: Kolkata  
Date: 16 July 2024

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SURAKSHA DIAGNOSTIC LIMITED (FORMERLY KNOWN AS SURAKSHA DIAGNOSTIC PRIVATE LIMITED)**

### **Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements 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 the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with the management of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 the management 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.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

  
**Dipak Jaiswal**  
Partner  
Membership No: 063682  
UDIN: 24063682BKATDK3008



Place: Kolkata  
Date: 16 July 2024

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SURAKSHA DIAGNOSTIC LIMITED (FORMERLY KNOWN AS SURAKSHA DIAGNOSTIC PRIVATE LIMITED)**

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited)** on the Consolidated Financial Statements for the year ended 31 March 2024]

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

**Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls reference to consolidated financial statements of Suraksha Diagnostic Limited (formerly known as Suraksha Diagnostic Private Limited) (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies 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 ("the ICAI").

**Management and Board of Director's Responsibility for Internal Financial Controls**

The Management and the Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 Act.



### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding 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") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated 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 internal financial controls with reference to consolidated financial statements of the Holding Company.

### **Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated 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 consolidated financial statements.



**Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matter**

- i) Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, is based on the corresponding reports of the auditor of such company incorporated in India.
- ii) Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the other subsidiaries does not include the reports of the two subsidiaries (limited liability partnerships or LLPs), as the said reporting on Internal Financial Control is not applicable to the said LLPs.

Our opinion is not modified in respect of above matters.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

  
  
**Dipak Jaishwal**  
Partner

Membership No: 063682  
UDIN: 24063682BKATDK3008

Place: Kolkata  
Date: 16 July 2024