INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMBADY INFRASTRUCTURE PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ambady Infrastructure Private Limited, Kochi ("the company") which comprises of the Balance sheet as at March 31, 2020, the Statement of Profit and loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash flows for the year then ended including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2020, and of its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made there under, 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 on the standalone financial statements.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes

in equity and cash flows of the company in accordance with the Ind AS and other 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the standalone financial statements, the management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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 standalone 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 financial controls 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 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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.

<u>Report on Other Legal and Regulatory Requirements</u>

1) 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 including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in *"Annexure A"*. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's 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 & 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 litigation and therefore no impact on its financial position as reflected in its standalone financial statements.
    ii. The company does not have any long-term contracts including derivative contracts for which there are material foreseeable losses and therefore the company has not made any provision for the same.
    iii. There are no amounts to be transferred to the Investor Education and Protection Fund.

2) As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act, we give in *"Annexure B"* a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Rangamani Associates
Chartered Accountants (F No. 5538S)

K. Balaji
Partner
(Membership No. 211860)

Rangamani Associates Kottayam H.O. Chartered Accountants

Place: Kottayam
Date: 15/06/2020

"Annexure A" to the Independent Auditors' Report referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report to the members of Ambady Infrastructure Private Limited of even date

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

We have audited the internal financial controls over financial reporting of Ambady Infrastructure Private Limited as on March 31, 2020 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's responsibility for internal financial controls

The Board of directors of the company 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 controls stated in the Guidance note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI').

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 Act.

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 Institute of Chartered Accountants of India and deemed to be 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 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 the 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the standalone 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. The 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For Rangamani Associates
Chartered Accountants (F No. 5538S)

Rangamani Associates Kottayam H.O. Chartered Accountants

K Balaji

K. Balaji
Partner
(Membership No. 211860)

Place: Kottayam
Date: 15/06/2020

"Annexure B" to the Independent Auditors' Report referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report to the members of Ambady Infrastructure Private Limited of even date

i) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

The company has a regular programme of physical verification of fixed assets by which fixed assets are verified in a phased manner. In accordance with the programme, the fixed assets were verified during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

The title deeds of all the immovable properties are held in the name of the company.

ii) The company does not have any inventory and therefore the requirements under paragraph 3(ii) are not applicable.

iii) The company has not granted any loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Hence, the requirements under paragraph 3(iii) are not applicable.

iv) The company has not given any loans or guarantees or made any investments within the meaning of sections 185 and 186 of the Companies Act, 2013.

v) According to the information and explanations given to us by the company, it has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. We are also informed that no order in this regard has been passed by the Company Law Board, National Company Law Tribunal, Reserve Bank of India or any other court or tribunal.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the company and hence, reporting under clause 3 (vi) is not applicable to the company.

vii)

a) According to the information and explanation given to us and on the basis of our examination of the records of the company, the amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues have been regularly deposited during the year by the company with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2020 for a period more than six months from the date they became payable.

b) According to the information and explanation given to us, no disputed amounts payable in respect of outstanding dues were in arrears as at March 31, 20120.

viii) The company does not have any outstanding dues to financial institutions, banks, government or debenture holders during the year and hence reporting under clause 3 (viii) of the Order is not applicable to the company.

ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the company.

x) In our opinion and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

xi) Based upon the audit procedures performed and the information and explanations given by the management, the remuneration paid to the key managerial personnel does not exceed the limits under the provisions of section 197 read with Schedule V to the Companies Act.

xii) Since the company is not a Nidhi company, the provisions of the Nidhi Rules, 2014 are not applicable to the company and hence, reporting under clause 3(xii) is not applicable.

xiii) The transactions entered into with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details thereof have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) The company has not entered into any non-cash transactions with its directors or persons connected to its directors, therefore the provisions of section 192 of Companies Act, 2013 are 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, 1934.

For Rangamani Associates
Chartered Accountants (F No. 5538S)

K. Balaji
Partner
(Membership No. 211860)

Place: Kottayam
Date: 15/06/2020

AMBADY INFRASTRUCTURE PRIVATE LIMITED

IX/475L, ASTER MEDCITY
KUTTISAHIB ROAD, SOUTH CHITTOOR P.O.,
CHERANALLOOR, KOCHI - 682027
CIN- U45201KL2008PTC021727

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION FOR THE YEAR ENDED MARCH 31, 2020

AMBADY INFRASTRUCTURE PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

(Amount in INR)

Particulars	Note No	Figures at the end of the current reporting period	Figures at the end of the previous reporting period
I.ASSETS			
Non-current assets			
Property, plant and equipment	5	91,75,05,366	91,75,14,528
Financial assets			
Investments in associates	6	-	-
Total Non-current assets		**91,75,05,366**	**91,75,14,528**
Current assets			
Financial assets			
Cash and cash equivalents	7	3,18,615	6,701
Other current assets	8	5,67,882	5,70,455
Total current assets		**8,86,497**	**5,77,156**
Total Assets		**91,83,91,863**	**91,80,91,684**
II.EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	15,01,00,000	15,01,00,000
Other equity	10	55,26,22,849	55,45,37,870
Total equity		**70,27,22,849**	**70,46,37,870**
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)	11	15,12,99,901	15,12,95,087
Total non-current liabilities		**15,12,99,901**	**15,12,95,087**
Current liabilities			
Financial liabilities			
Borrowings	12	6,37,89,045	6,20,80,045
Trade payables:			
Total outstanding dues of micro and small enterprises	13	-	-
Total outstanding dues of creditors other than micro and small enterprises	13	14,180	-
Other current liabilities	14	5,08,888	75,000
Provisions	15	57,000	3,682
Total current liabilities		**6,43,69,113**	**6,21,58,727**
Total Equity and liabilities		**91,83,91,863**	**91,80,91,684**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rangamani Associates
Chartered Accountants (Firm No. 5538S)

KBalaji

K. Balaji
Partner (M. No. 211860)
Kottayam
15-06-2020

Rangamani Associates Chartered Accountants Kottayam H.O.

T J Wilson, Director

Sreenath Pocha Reddy, Director

Anoop Moopen, Chief Executive Officer

Nagendra S, Chief Financial Officer

Kiran R. Baddi, Company Secretary
Kochi
15-06-2020

AMBADY INFRASTRUCTURE PVT. LTD. COCHIN

AMBADY INFRASTRUCTURE PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
Revenue from operations		-	-
Other income	16	47	22,246
Total Income		47	22,246
Expenses			
Employee benefit expenses	17	16,53,589	1,70,882
Depreciation and amortisation expenses	5	9,162	9,162
Other expenses	18	2,41,186	2,32,328
Total Expenses		19,03,937	4,12,371
		(19,03,890)	(3,90,125)
Profit/ (loss) before extraordinary items and tax			
Share of loss of associates		(10,000)	-
Profit/ (loss) before tax		(19,13,890)	(3,90,125)
Tax expense:			
Current tax		-	-
Deferred tax	11	4,814	5,613
VII. Profit /(loss) for the period (V-VI)		(19,18,704)	(3,95,739)
Other Comprehensive Income			
Remeasurement of net defined liabilty / (asset), net of tax		3,682	-
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
Total other comprehensive income		3,682	-
Total comprehensive income for the period		(19,15,022)	(3,95,739)
Earnings per equity share			
Equity shares of par value Rs.100 each			
Basic	34	(1.28)	(0.26)
Diluted	34	(1.28)	(0.26)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rangamani Associates
Chartered Accountants (Firm No. 5538S)

K Balaji

K. Balaji
Partner (M. No. 211860)
Kottayam
15-06-2020

Rangamani Associates Chartered Accountants Kottayam H.O.

T J Wilson, Director

Sreenath Pocha Reddy, Director

Anoop Moopen, Chief Executive Officer

Nagendra S, Chief Financial Officer

Kiran R. Baddi, Company Secretary
Kochi
15-06-2020

AMBADY INFRASTRUCTURE PVT. LTD. COCHIN

AMBADY INFRASTRUCTURE PRIVATE LIMITED

STATEMENT OF CASHFLOWS FOR THE YEAR ENDING MARCH 31, 2020

(Amount in INR)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Cash flow from operating activities		
Profit before tax	(19,13,890)	(3,90,125)
Add: Preliminary expenses amortized		-
Add: Depreciation and amortization	9,162	9,162
Less: Interest income		-
Cash flow before working capital changes	(19,04,728)	(3,80,963)
Increase/ (decrease) in provisions	-	(1,95,465)
Increase/ (decrease) in long term provisions	57,000	3,682
Increase/ (decrease) in current liabilities	21,57,068	1,88,056
(Increase)/ decrease in other current assets	2,573	1,94,352
Cash generated from operations	3,11,914	(1,90,338)
Income tax paid	-	-
Net cash from operating activities	3,11,914	(1,90,338)
Cash flow from investing activities		
Purchase of fixed assets	-	-
Interest Received	-	-
Net cash used in investing activities	-	-
Cash flow from financing activities	-	-
Increase in borrowings	-	-
Net cash used in Financing Activities	-	-
Components of cash and cash equivalents		
Net cash and cash equivalents	3,11,914	(1,90,338)
Add: Opening Cash and Cash equivalents	6,701	1,97,039
Closing cash and cash equivalents	3,18,615	6,701

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For Rangamani Associates
Chartered Accountants (Firm No. 5538S)

T J Wilson, Director

Sreenath Pocha Reddy, Director

Anoop Moopen, Chief Executive Officer

Nagendra S, Chief Financial Officer

K. Balaji
Partner (M. No. 211860)
Kottayam
15-06-2020

Kiran R. Baddi, Company Secretary
Kochi
15-06-2020

Rangamani Associates Chartered Accountants Kottayam H.O.

AMBADY INFRASTRUCTURE PVT. LTD. COCHIN

AMBADY INFRASTRUCTURE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR)

	Equity share capital	Reserves and Surplus: Securities premium	Reserves and Surplus: Retained earnings	Reserves and Surplus: Revaluation Reserve	Items of other comprehensive income	Total equity attributable to the equity holders of the company
Balance as at April 1, 2018	15,01,00,000	1,69,90,903	6,87,761	-	53,72,54,945	70,50,33,609
Profit for the year		-	(3,95,739)	-	-	(3,95,739)
Other comprehensive Income		-	-	-	-	-
Re-valuation gain/(loss)			-	-	-	
Total comprehensive income for the year		-	(3,95,739)	-	-	(3,95,739)
Transfer to general reserve		-	-	-		
Dividends			-	-	-	
Deferred stock compensation expense		-	-	-	-	
Balance as at March 31, 2019	15,01,00,000	1,69,90,903	2,92,022	-	53,72,54,945	70,46,37,870
Profit for the year	-		(19,18,704)		-	(19,18,704)
Other comprehensive Income	-	-	-	-	3,682	3,682
Transfer to retained earnings			3,682	-	(3,682)	
Total comprehensive income for the year		-	(19,15,022)	-	-	(19,15,022)
Transfer to general reserve			-	-		
Dividends			-	-		-
Deferred stock compensation expense	-		-	-		
Balance as at March 31, 2020	15,01,00,000	1,69,90,903	(16,22,999)	-	53,72,54,945	70,27,22,849

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For Rangamani Associates
Chartered Accountants (Firm No. 5538S)

KBalaji

Rangamani Associates Kottayam H.O. Chartered Accountants

K. Balaji
Partner (M. No. 211860)
Kottayam
15-06-2020

T J Wilson, Director

Sreenath Pocha Reddy, Director

Anoop Moopen, Chief Executive Officer

Nagendra S, Chief Financial Officer

Kiran R. Baddi, Company Secretary
Kochi
15-06-2020

Ambady Infrastructure Pvt. Ltd. Cochin

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Notes forming part of the standalone financial statements for the year ended March 31, 2020

1 Company overview

Ambady Infrastructure Private Limited (the company) is a private limited company engaged in the business of infrastructure development. It has entered into an MOU with its holding company Aster DM Healthcare Limited to jointly develop and promote the Aster Medcity Hospital at Kochi. The company has its registered office at Aster Medcity, Kuttisahib Road, Cheranellore, Kochi - 682027.

2 Basis of preparation of financial statements

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS), under the historical cost convention on accrual basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, the provisions of the Companies Act, 2013 (the 'Act') (to the extent notified) and the guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and liabilities as at the date of the financial statements. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note no. 4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

4 Critical accounting estimates

a) Revenue recognition

The company uses the percentage of completion method in accounting for its revenue. Use of the percentage of completion method requires the companyto estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationshipbetween input and productivity. Provisions for estimated losses if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting period.

b) Taxes on Income

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

c) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

d) Investments in Associates

An associate is an entity over which the company has significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the Equity method of accounting in accordance with Ind AS 28, except when the investments, or a portion thereof is classified as held for sale.

Under the equity method, the investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognised in other comprehensive income of the investor.

If an investor's share of losses of an associate equals or exceeds its interest in the associate, the investor discontinues recognising its share of further losses. After the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

After application of the equity method, including recognising the associate's losses, the investor applies the requirements of Ind AS 39 to determine whether it is necessary to recognise any additional impairment loss with respect to the investor's net investment in the associate.

5 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building - 60 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indiacte that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (ie., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

The following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020:

Particulars	**Freehold land**	**Buildings**	**Total**
Gross carrying value as at April 1, 2019	91,70,00,000	5,78,662	91,75,78,662
Additions/ (Deletions) during the year	-	-	-
Gross carrying value as at March 31, 2020	**91,70,00,000**	**5,78,662**	**91,75,78,662**
Accumulated depreciation as at April 1, 2019	-	64,134	64,134
Charge for the year	-	9,162	9,162
Accumulated depreciation as at March 31, 2020	-	**73,296**	**73,296**
Carrying value as at April 1, 2019	**91,70,00,000**	**5,14,528**	**91,75,14,528**
Carrying value as at March 31, 2020	**91,70,00,000**	**5,05,366**	**91,75,05,366**

6 **Investments**

The details of investments are as follows:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Investment in the capital of Aster Clinical Lab LLP	10,000	-
Add: share of profits/ (losses) for the year	(10,000)	
Total	-	-

7 **Cash and cash equivalents**

The details of cash and cash equivalents are as follows:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Cash on hand	353	353
Balance with banks:		
In current accounts	3,18,262	6,348
Total	**3,18,615**	**6,701**

8 Other current assets

The details of other current assets are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
MAT credit entitlement	2,29,360	2,29,360
Security deposits	10,000	-
TDS receivable	-	1,113
IT refund due	3,28,522	3,39,982
Total	**5,67,882**	**5,70,455**

9 Share capital

a) The details of share capital are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Authorized share capital:		
15,02,000 equity shares of Rs. 100 each	15,02,00,000	15,02,00,000
Issued, subscribed and paid-up share capital:		
15,01,000 equity shares of Rs. 100 each	15,01,00,000	15,01,00,000

The company has only issued equity shares. All equity shares are of face value Rs.100. The company does not have any preference shares.

b) **Reconciliation of shares outstanding at the beginning and at the end of the period:**

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the period (no. of equity shares)	15,01,000	15,01,000
Issued during the period (no. of equity shares)	Nil	Nil
Outstanding at the end of the period (no. of equity shares)	15,01,000	15,01,000

c) **Terms/ rights attached to equity shares:**

The company has only one class of equity share having par value of Rs.100. Each holder of equity share is entitled to one vote per share. If the company declares dividend it would pay it in Indian rupees. However, during the reporting period the company did not declare any dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all the company's obligations. The distribution would be in proportion to the number of equity shares held by the shareholders.

d) **Shares held by holding company/ ultimate holding company and or their subsidiaries/ associates:**

Particulars	As at March 31, 2020	As at March 31, 2019
Aster DM Healthcare Limited	15,01,000	15,01,000

e) **Details of shareholders holding more than 5% shares in the company:**

Particulars	As at March 31, 2020	As at March 31, 2019
Aster DM Healthcare Limited	15,01,000	15,01,000

f) **The company has not reserved any shares for issue under options, contracts and commitments.**

g) ***Details of following transactions in shares during the period of five years immediately preceding the reporting date:***

Particulars	As at March 31, 2020	As at March 31, 2019
Allotment of shares for a consideration other than cash	Nil	Nil
Issue of bonus shares	*Nil*	*Nil*
Shares bought back	Nil	Nil
Shares converted into equity shares	Nil	Nil
Calls unpaid on shares by directors and officers	Nil	Nil
Forfeited shares	Nil	Nil

10 <u>Other equity</u>

The details of other equity are as follows:

Particulars	Amount (Rs)
Securities premium account	
As at April 1, 2019	1,69,90,903
Add: Premium on issue of shares during the year	-
As at March 31, 2020	1,69,90,903
Other comprehensive income	
As at April 1, 2019	-
Additions during the year	3,682
Tranfer to profit and loss account	**(3,682)**
As at March 31, 2020	-
Profit and Loss account	
As at April 1, 2019	2,92,022
Add: Profit for the year	(19,18,704)
Add: Transfer from other comprehensive income	3,682
As at March 31, 2020	**(16,22,999)**
Revaluation reserves account	
As at April 1, 2019	53,72,54,945
Additions for the year	-
As at March 31, 2020	**53,72,54,945**
Total as at April 1, 2019	**55,45,37,870**
Total as at March 31, 2020	**55,26,22,849**

11 <u>Deferred tax liabilities (net)</u>

The details of deferred tax liabilities are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
As at the beginning of the year	15,12,95,087	15,12,89,473
Additions during the year	4,814	5,613
As at the end of the year	**15,12,99,901**	**15,12,95,087**

12 Borrowings

The details of borrowings are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured:		
From holding company - Aster DM Healthcare Limited	6,37,89,045	6,20,80,045
Total	**6,37,89,045**	**6,20,80,045**

13 Trade payables

The details of trade payables are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to micro and small enterprises	-	-
Due to creditors other than micro and small enterprises		
Creditors for services	14,180	-
Total	**14,180**	-

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act") based on the information available with the Company are as follows:

The principal amount remaining unpaid to any supplier at the end of the year	-	-
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Ac	-	-

14 Other current liabilities

The details of other current liabilities are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory remittances due	8,100	7,500
Expenses payable	67,500	67,500
Accrued Salaries	2,16,669	-
Advances for expenses	2,16,619	-
Total	**5,08,888**	**75,000**

Statutory remittances due consist of TDS payable of Rs. 8100

Advances for expenses comprise of amounts received from Aster DM Healthcare Limited (Rs.2,16,619).

15 Provisions

The details of provisions for the year are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity payable	57,000	3,682
Total	**57,000**	**3,682**

16 Other income

The details of other income for the year are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Guarantee commission received	-	22,246
Interest on IT refund	47	-
Total	**47**	**22,246**

17 Employee benefit expenses

The details of employees benefit expenses for the year are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Salaries and wages	15,96,589	1,67,200
Gratuity expenses	57,000	3,682
Total	**16,53,589**	**1,70,882**

18 Other expenses

The details of other expenses for the year are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Audit fees	89,250	1,13,500
Professional charges	88,205	66,670
Rates and taxes	46,069	45,750
Establishment expenses	17,662	6,408
Total	**2,41,186**	**2,32,328**

19 Employee benefit plans

Short term employee benefits

The employee benefits payable wholly within one year of receiving employee services are classified as short term employee benefits. These include salaries and wages, bonus and ex-gratia. A liability is recognized for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post -employment benefits

The details of defined contribution plans are as follows:

The company does not have any defined contribution plan in form of provident fund scheme and employees state insurance scheme since the company does not have adequate number of employees to register under these schemes.

The details of defined benefit plans are as follows:

A defined benefit plan is post employement benefit plan other than a defined contribution plan. The company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefits that the employees have earned in the current period and prior periods and discounting that amount.

The calculation of the defined benefit obligation is performed by a qualified actuary in accordance with the requirements of Ind AS 19 using the projected unit credit method.

Actuarial gains/losses arising from changes in the assumptions and performance of the assets contribute to re-measurements for the period and are classified as 'Remeasurements of net defined liability' under Other comprehensive income.

The following table sets out the amount recognized in the financial statements on account of such gratuity liability:

Particulars	Defined benefit obligation for the current period	Defined benefit obligation for the previous period
Balance as on 1st April, 2019	3,682	-
Service cost		
(a) Current service cost	57,000	3,682
(b) Past service cost	-	-
Re-measurements		
(a) Actuarial loss/(gain) from change in financial assumptions	-	-
(b) Actuarial loss/(gain) from experience over the past year	(3,682)	-
Balance as on 31st March, 2020	**57,000**	**3,682**

20 Lease arrangements

The company does not have any operating or financial lease commitments.

21 Capital management

The capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The company's objectives when managing capital is to safeguard its ability to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances.

Gearing Ratio

The gearing ratio at the end of the reporting period is as follows:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Debt	6,37,89,045	6,20,80,045
Less: Cash and cash equivalents	3,18,615	6,701
Net Debt	6,34,70,430	6,20,73,344
Total equity	70,27,22,849	70,46,37,870
Net debt to Equity Ratio	**9.03%**	**8.81%**

Debt is defined as long-term and short-term borrowings (excluding derivatives, financial guarantee contracts and contingent consideration).

In order to achieve the overall objective, the company management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

22 Segment reporting

The company's operations comprise only of one segment viz., Infrastructure development in India. Therefore there are no additional disclosures to be provided.

23 Estimated amount of contracts pending execution on capital account

	2019-20	**2018-19**
	Nil	Nil

24 Managerial remuneration

	2019-20	**2018-19**
Mr. Nagendra S. - Chief Financial Officer	9,40,014	Nil
Mr. Kiran Baddi - Company Secretary	5,54,000	Nil

25 Auditor's remuneration

	2019-20	**2018-19**
For statutory audit	75,000	75,000

26 Taxes on income

Since the company does not have taxable income under the Income Tax Act, 1961, no provision for current tax is provided for in the accounts. Deferred income taxes are recognized for the timing differences between taxable income and accounted income. The company has recognized deferred tax liability of Rs. 4,814 for the current year. The total net deferred tax account shows a liability of Rs.15,12,99,900 at the end of the current year.

27 Raw material consumption

	2019-20	2018-19
	Nil	Nil

28 Value of imports on CIF basis

	2019-20	2018-19
	Nil	Nil

29 Value of FOB value of exports

	2019-20	2018-19
	Nil	Nil

30 The amount remitted during the year on account of dividend

	2019-20	2018-19
	Nil	Nil

31 Related party transactions

The following are the details of transactions with related parties of the company during the year:

a) Nature of relationship and related parties:

Nature of Relationship	Name of Related Party
Holding company	Aster DM Healthcare Limited, Kochi
Entities under common control	Aster Clinical Lab LLP, Kochi
Key Managerial Personnel	Mr. Nagendra S. (Chief Financial Officer)
	Mr. Kiran Baddi (Company Secretary)

b) Transactions with related parties during the year and balance outstanding at the end of the year:

1. Transactions during the year **(Amount in INR)**

Nature of Transaction	Related Party	2019-20	2018-19
Loans received	Aster DM Healthcare Limited, Kochi	17,09,000	3,27,000
Loans repaid	Aster DM Healthcare Limited, Kochi	-	1,89,000
Guarantee commission received	Aster DM Healthcare Limited, Kochi	-	21,133
Reimbursement of expenses	Aster DM Healthcare Limited, Kochi	2,16,619	46,190
Investment made	Aster Clinical Lab LLP, Kochi	10,000	-
Investor's share of loss	Aster Clinical Lab LLP, Kochi	10,000	-
Salaries paid	Mr. Nagendra S.	9,40,014	-
Salaries paid	Kiran Baddi	5,54,000	-

2. **Balances at the end of the period** **(Amount in INR)**

Nature of Transaction	Related Party	2019-20	2018-19
Amount payable	Aster DM Healthcare Limited, Kochi	6,40,05,664	6,20,80,045
Salaries payable	Mr. Nagendra S. - Chief Financial Officer	1,56,669	-
Salaries payable	Mr. Kiran Baddi - Company Secretary	60,000	-

Note: No amounts pertaining to related parties have been written off or written back during the period

32 **Financial instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

Particulars	**Carrying Value**		**Fair value**	
	31-03-2020	**31-03-2019**	**31-03-2020**	**31-03-2019**
Financial Assets				
Cash and Cash equivalents	3,18,615	6,701	3,18,615	6,701
Investments	-	-	-	-
Total Assets	**3,18,615**	**6,701**	**3,18,615**	**6,701**
Financial Liabilities				
Borrowings	6,37,89,045	6,20,80,045	6,37,89,045	6,20,80,045
Trade payables	14,180	-	14,180	-
Total Liabilities	**6,38,03,225**	**6,20,80,045**	**6,38,03,225**	**6,20,80,045**

The management of the company assessed that fair value of cash and short-term deposits, trade receivables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short - term maturities of these instruments.

1) Long-term receivables/borrowings are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

2) The fair value of the quoted investments is based on price quotations at reporting date. However the company had no quoted investments as on the reporting dates. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value hierarchy

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

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

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

33 Financial risk management objectives and policies

The company's principal financial liabilities, comprise of borrowings, trade payables and expenses payable. The main purpose of these financial liabilities is to finance the operations of the company. The company's principal financial assets include cash and cash equivalents, investments and current account with the bank that derive directly from operations and investments.

The company is exposed to market risk, credit risk and liquidity risk. The senior management of the company oversees the management of these risks. It is the company's policy that no trading in derivative for speculative purpose may be undertaken. The policies for managing each of the risks are summarized below:-

Market risk

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes on market price. Financial instrument affected by market risk include loan and borrowings and deposits.

Credit risk

The company is exposed to the credit risk from its operating activities (trade receivables, trade payables and other payables) and from its financing activities, including deposits with banks.

Credit risk is managed by the senior management of the company.

Trade receivables

The company does not have any trade receivables.

Financial instrument and cash deposit

Credit risk from balances with the bank is managed by the company based on the group policy and is managed by the company's treasury team. Investment of surplus fund is made only with appropriate approvals of counterparties.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The company has policies and processes in place to manage all the above mentioned risks and the same is overseen by senior management.

34 Earnings per share

Particulars	As at March 31, 2020	As at March 31, 2019
Net profit for the year attributable to equity shareholders	(19,15,022)	(3,95,739)
Weighted average number of equity shares	15,01,000	15,01,000
Par value per share	100	100
Basic earnings per share	(1.28)	(0.26)
Diluted earnings per share	(1.28)	(0.26)

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

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Contingent liability: Claims on Central Excise and Service tax matters under appeal	Nil	Nil
(b) Contingent liability: Claims on VAT which are under appeal.	Nil	Nil
(c) Contingent liability: Bonus to employees pursuant to retrospective amendment to the Payment of Bonus Act, 1972	Nil	Nil
(d) Contingent liability: Corporate guarantee given on behalf of subsidiaries and other parties	Nil	Nil
(e) Estimated amount of contracts remaining to be executed on capital account (Net of advances and deposits)	Nil	Nil

36 Micro and small Enterprises:

There are no micro and small enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the balance sheet date, computed on unit wise basis. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

37 Regrouping:

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached

For Rangamani Associates
Chartered Accountants (Firm No. 5538S)

K.Balaji

K. Balaji
Partner (M. No. 211860)
Kottayam
15-06-2020

Rangamani Associates Chartered Accountants Kottayam H.O.

T J Wilson, Director

Sreenath Pocha Reddy, Director

Anoop Moopen, Chief Executive Officer

Nagendra S, Chief Financial Officer

Kiran R. Baddi, Company Secretary
Kochi
15-06-2020

AMBADY INFRASTRUCTURE PVT. LTD. COCHIN