

Independent Auditors' Report to the members of Ambady Infrastructure Private Limited

Report on the standalone financial statements:

We have audited the accompanying standalone financial statements of Ambady Infrastructure Private Limited, Kochi (the company) which comprises of the Balance sheet as at 31st March, 2018, 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 and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

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 judgements 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.

Auditors' responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act, the Rules made there under and the order issued under section 143 (11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

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 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 31 March 2018, and its financial performance including other comprehensive income, the changes in its equity and the cash flows for the year ended on that date.

Report on legal and other regulatory requirements

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 explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts 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, 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 Indian accounting standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - e) On the basis of written representations received from the directors, as on 31st March 2018 taken on record by the board of directors, none of the directors are disqualified as on 31st March 2018 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 control 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 financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit & 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 litigation and therefore, there is no impact on its financial position 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 (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 "*Annexure B*" a statement on matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the company.

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

Syam Mohan
Partner
(Membership No.234017)
Place: Kottayam
Date: / /2018

“Annexure A” referred to in paragraph 2 under the heading “Report on legal and other regulatory requirements” of our report of even date

Report on the Internal Financial Controls 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, 2018 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 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 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 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 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 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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

The 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, 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, 2018, 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)

Syam Mohan

Partner

(Membership No.234017)

Place: Kottayam

Date: / /2018

“Annexure B” referred to in paragraph 1 under the heading “Report on legal and other regulatory requirements” of our report of even date

i) The company maintains 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 no material discrepancies were noted 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) In our opinion and according to the information and explanations given to us, based on the legal opinion obtained by the management, the company has complied with the provisions of sections 185 and 186 of the Act, with respect to securities and guarantees given. The company has not granted any loans or investments to companies, firms or other parties covered under sections 185 and 186 of the Act.

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) Maintenance of cost records as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 are 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, including income tax, service tax have been regularly deposited during the year by the company with appropriate authorities. According to the information and explanation given to us, no undisputed amounts are payable in respect of outstanding statutory dues were in arrears as at 31st March 2018 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 31st March 2018.

viii) The company does not have any outstanding dues to financial institutions, banks or debenture holders during the year.

ix) The company has not raised any amount by the way of public offers or availed any term loans during the year.

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 course of our audit.

xi) The company has not paid any managerial remuneration and therefore the requirements under paragraph 3 (xi) are not applicable.

xii) Since the company is not a chit fund or a Nidhi company, the provisions of the Nidhi Rules, 2014 are not applicable to the company.

xiii) The transactions entered into with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the 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 directors or persons connected with him, 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)

Syam Mohan
Partner
(Membership No. 234017)

Place: Kochi
Date: / /2018

AMBADY INFRASTRUCTURE PRIVATE LIMITED

**IX/475L, ASTER MEDCITY
KUTTISAHIB ROAD
CHERANELLORE
KOCHI - 682027
CIN- U45201KL2008PTC021727**

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2018**

AMBADY INFRASTRUCTURE PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	(Rupees)	
		As at 31 March' 2018	As at 31 March' 2017
ASSETS			
<u>Non- Current Assets</u>			
Property, plant and equipment	5	917,523,690	917,532,852
Total non-current assets		917,523,690	917,532,852
<u>Current Assets</u>			
<u>Financial assets</u>			
Cash and cash equivalents	6	197,039	79,152
Other current assets	7	764,807	626,735
Total current assets		961,846	705,887
Total assets		918,485,536	918,238,739
EQUITY AND LIABILITIES			
<u>Equity</u>			
Equity share capital	8	150,100,000	150,100,000
Other equity	9	554,933,609	553,868,444
Total equity attributable to owners of the company		705,033,609	703,968,444
<u>Non- Current Liabilities</u>			
Deferred tax liabilities	10	151,289,473	151,283,034
Total non- current liabilities		151,289,473	151,283,034
<u>Current Liabilities</u>			
<u>Financial liabilities</u>			
Borrowings	11	61,916,988	62,857,261
Other current liabilities	12	50,001	130,000
Provisions	13	195,465	-
Total current liabilities		62,162,454	62,987,261
Total liabilities		213,451,927	214,270,295
Total equity and liabilities		918,485,536	918,238,739

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

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

M.Salahuddin, Director -----

A.R.Salim, Director -----

Kottayam
/ /2018

Syam Mohan
Partner (M No.234017)

Sreenath Reddy, Group CFO -----
Kochi
/ /2018

AMBADY INFRASTRUCTURE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
(Rupees)

Particulars	Note No.	For the year ended 31 March' 2018	For the year ended 31 March 2017
I. Revenue from operations		-	-
II. Other Income	14	1,197,219	1,248,197
III. Total Revenue (I + II)		1,197,219	1,248,197
IV. Expenses			
Depreciation and amortisation	5	9,162	9,162
Finance costs	15	-	2 831,971
Other expenses	16	116,453	194,418
Total Expenses		125,615	3,035,551
V. Profit before exceptional and extraordinary items and tax (III-IV)		1,071,604	(1,787,354)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		1,071,604	(1,787,354)
VIII. Extraordinary items		-	-
IX. Profit before tax (VII-VIII)		1,071,604	(1,787,354)
X. Tax Expense			
(1) Current tax expense for current year		195,465	-
(2) Transfer to MAT credit for the current year		(195,465)	-
(3) Deferred tax	10	6,439	8,900
XI. Profit (loss) for the period (IX-X)		1,065,165	(1,796,254)
Other Comprehensive Income			
Items that may not be reclassified to profit or loss		-	-
Items that may be reclassified to profit/loss		-	-
Total other comprehensive Income		-	-
Total comprehensive income for the year		1,065,165	(1,796,254)
Earnings per share of Rs.10 each – Basic	32	0.71	(1.20)
Earnings per share of Rs.10 each – Diluted	32	0.71	(1.20)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

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

M.Salahuddin, Director -----

A.R.Salim, Director -----

Kottayam
/ /2018

Syam Mohan
Partner (M No.234017)

Sreenath Reddy, Group CFO -----
Kochi
/ /2018

AMBADY INFRASTRUCTURE PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rupees)

Particulars	For the year ended 31 March' 2018	For the year ended 31 March 2017
Cash flow from operating activities		
Profit before tax	1,071,604	(1,787,354)
Add: Preliminary expenses amortized	-	
Add: Depreciation and amortization	9,162	9,162
Less: Interest income	-	
Cash flow before working capital changes	1,080,766	(1,778,192)
Increase/(Decrease) in provisions	195,466	(259,515)
Increase/(Decrease) in non-current liabilities	-	-
Increase/(Decrease) in current liabilities	(1,020,273)	2,011,861
(Increase)/Decrease in loans and advances	-	
(Increase)/Decrease in receivables	-	
(Increase)/Decrease in other current assets	(138,072)	88,930
(Increase)/Decrease in inventory	-	
Cash generated from operations	117,887	63,084
Income tax paid	-	-
Net cash from operating activities	117,887	63,084
Cash flow from investing activities		
Purchase of fixed assets	-	-
Increase in non-current 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	117,887	63,084
Add: Opening cash and cash equivalents	79,152	16,068
Closing cash and cash equivalents	197,039	79,152

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

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

M.Salahuddin, Director -----

A.R.Salim, Director -----

Kochi
/ /2018

Syam Mohan
Partner (M No.234017)

Sreenath Reddy, Group CFO -----
Kochi
/ /2018

AMBADY INFRASTRUCTURE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

Equity Shares of Rs.100 each issued and subscribed	No. of shares	Amount (Rs)
Balance as at March 31, 2017	1,501,000	150,100,000
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	1,501,000	150,100,000

	<u>Reserves and Surplus</u>		<u>Other Reserves</u>		<u>Total</u>
	<u>Security premium</u>	<u>Retained earnings</u>	<u>Share options outstanding account</u>	<u>Revaluation Reserve</u>	
Balance as at March 31, 2017	16,990,903	-377,404	-	537,254,945	553,868,444
Profit for the year	-	1,065,165	-	-	1,065,165
Other comprehensive income	-	-	-	-	-
Revaluation gain(loss)	-	-	-	-	-
Total other comprehensive income for the year	-	1,065,165	-	-	1,065,165
Premium on shares issued during the year	-	-	-	-	-
Share issue expenses	-	-	-	-	-
Deferred stock compensation scheme	-	-	-	-	-
Balance as 31 March 2018	16,990,903	687,761	-	537,254,945	554,933,609

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

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

M.Salahuddin, Director -----

A.R.Salim, Director -----

Kottayam
/ /2018

Syam Mohan
Partner (M No.234017)

Sreenath Reddy, CFO -----
Kochi
/ /2018

Notes forming part of the standalone financial statements for the year ended March 31, 2018

1. Company overview:

Ambady Infrastructure Private Limited (the company) is 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:

These financial statements are prepared in accordance with Indian Accounting Standard (IndAS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) which was the previous GAAP.

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:

The preparation of the financial statements in conformity with IndAS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments 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 Company to 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 relationship between 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 date.

b. Taxes on income

Significant judgments 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 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. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company does not have any foreign currency transactions and therefore not evaluated the effect of this on its financial statements.

e. IndAS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the IndAS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

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:

Buildings – 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 'Capitalwork-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 indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. 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 cash flows 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.

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

Particulars	Freehold land	Buildings	Total
31/3/2017	917,000,000	578,662	917,578,662
Additions	-	-	-
31/3/2018	917,000,000	578,662	917,578,662
Accumulated depreciation			
31/3/2017	-	45,810	45,810
For the year		9,162	9,162
31/3/2018		54,972	54,972
Carrying amount			
31/3/2017	917,000,000	532,852	917,532,852
31/3/2018	917,000,000	523,690	917,523,690

6. Cash and cash equivalents

The details of cash and cash equivalents are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	353	353
<u>Balance with banks</u>		
In current accounts	196,686	78,799
In deposit accounts	-	-
Total	197,039	79,152

7. Other current assets

The details of other current assets are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Advance income tax	148,000	111,000
Tax deducted at source	387,447	481,840
MAT entitlement credit	229,360	33,895
Total	764,807	626,735

8. Share capital:

a) The details of share capital are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Authorized share capital:		
1,502,000 equity shares of Rs.100 each	150,200,000	150,200,000
Issued, subscribed and paid-up share capital:		
1,501,000 equity shares of Rs.100 each	150,100,000	150,100,000

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 the shares outstanding at the beginning and end of the period:

Particulars	As at March 31, 2018	As at March 31, 2017
At the beginning of the period (no. of equity shares)	1,501,000	1,501,000
Issued during the period (no. of equity shares)	Nil	Nil
Outstanding at the end of the period (no. of equity shares)	1,501,000	1,501,000

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 the 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, 2018	As at March 31, 2017
Aster DM Healthcare Ltd	1,501,000	1,501,000

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

Particulars	As at March 31, 2018	As at March 31, 2017
Aster DM Healthcare Limited	1,501,000	1,501,000

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 two years immediately preceding the reporting date:**

Particulars	As at March 31, 2018	As at March 31, 2017
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

9. Other equity:

The details of other equity are as follows:

<u>Particulars</u>	<u>Amount (Rs)</u>
Securities premium account	
As at March 31, 2017	16,990,903
Add: premium on issue of shares during the year	-
As at March 31, 2018	16,990,903
Share options outstanding account	
As at March 31, 2017	-
Less: Transfer to securities premium account	-
As at March 31, 2018	-

Profit and loss account

As at March 31, 2017	(377,404)
Add: Profit for the year	1,065,165
As at March 31, 2018	687,761

Revaluation reserve account

As at March 31, 2017	537,254,945
Additions for the year	-
As at March 31, 2018	537,254,945
Total as on 31/3/2017	553,868,444
Total as on 31/3/2018	554,933,609

10. Deferred tax liabilities

The details of deferred tax assets are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Brought forward from previous year	151,283,034	151,274,134
For the year	6,439	8,900
At the end of the year	151,289,473	151,283,034

11. Borrowings:

The details of borrowings are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
From holding company-Aster DM Healthcare Ltd	61,916,988	62,857,261
Total	61,916,988	62,857,261

12. Other current liabilities:

The details of other current liabilities are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory remittances	5,000	5,000
Expenses payable	45,001	125,000
Total	50,001	130,000

13. Short term provisions:

The details of short term provisions are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for taxation	195,465	-
Total	195,465	-

14. Other income:

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

Particulars	As at March 31, 2018	As at March 31, 2017
Guarantee commission received	1,178,529	1,248,197
Interest on IT refund	18,690	-
Total	1,197,219	1,248,197

15. Finance costs:

The details of finance costs incurred for the year are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Interest on bank borrowings	-	2,831,735
Bank charges	-	236
Total	-	2,831,971

16. Other expenses:

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

Particulars	As at March 31, 2018	As at March 31, 2017
Audit fees	63,500	75,000
Legal and professional charges	36,500	93,716
Rates and taxes	14,329	22,707
Other establishment expenses	2,124	2,995
Total	116,453	194,418

17. Employee benefit plans:

The company does not have any employees and therefore there is no contribution towards defined contribution plans or defined benefit plans.

18. Lease arrangements:

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

19. 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, 2018	As at March 31, 2017
Debt	61,916,988	62,857,261
Less: cash and cash equivalent	197,039	79,152
Net debt	61,719,949	62,778,109
Total equity	705,033,610	703,968,444
Net debt to Equity Ratio	8.75%	8.92%

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 31 March 2018 and 31 March 2017.

20. 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.

21. Estimated amount of contracts pending execution on capital account:

2017-18	2016-17
Nil	Nil

22. Managerial remuneration:

2017-18	2016-17
Nil	Nil

23. Auditor's remuneration:

For audit

2017-18	2016-17
50,000	75,000

24. Taxes on income

The company has taxable income under the Income Tax Act, 1961 and accordingly a provision for Rs.195,465 has been made in the accounts. However since the company is paying this amount as 'Minimum Alternate Tax' the same amount is reversed in the statement of profit and loss and transferred to MAT entitlement credit a/c. Deferred income taxes are recognized for the timing differences between the taxable income and the accounted income. The company has recognized deferred tax liability of Rs.6,439 for the current year. The total net deferred tax account shows a liability of Rs.151,289,473 at the end of the current year.

25. Raw material consumption:

2017-18	2016-17
Nil	Nil

26. Value of imports on CIF basis

2017-18	2016-17
Nil	Nil

27. Value of FOB value of exports

2017-18	2016-17
Nil	Nil

28. The amount remitted during the year on account of dividend

2017-18	2016-17
Nil	Nil

29. Related party transactions

Details of transactions with related parties of the company are reported below

a). Nature of relationship and related parties:

<u>Nature of Relationship</u>	<u>Name of Related Party</u>
Holding company	Aster DM Healthcare Ltd

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

1. TRANSACTIONS DURING THE YEAR (Amount in Rupees)

Nature of Transaction	Related Party	2017-18	2016-17
Loans received	Aster DM Healthcare Ltd	-	52,787,410
Loans repaid	-do-	1,63,000	49,827,500
Guarantee commission received	-do-	1,178,529	1,248,197
Expenses reimbursed	-do-	401,256	200,423

2. BALANCE AT THE PERIOD END (Amount in Rupees)

Nature of Transaction	Related Party	2017-18	2016-17
Amount payable	Aster DM Healthcare Ltd	61,916,988	62,857,261
Outstanding guarantee to bank	Aster DM Healthcare Ltd	180,00,00,000	180,00,00,000

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

30. Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2018 and March 31, 2017 is as follows:

Particulars	Carrying Value		Fair value	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Financial Assets				
Cash and Cash equivalents	197,039	79,152	197,039	79,152
Total Assets	197,039	79,152	197,039	79,152
Financial Liabilities				
Borrowings	61,916,988	62,857,261	61,916,988	62,857,261
Other Liabilities	61,916,988	62,857,261	61,916,988	6,2857,261

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 three 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).

31. Financial risk management objectives and policies

The company's principal financial liabilities, comprise of loans and borrowings. 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 equivalent and current account with the bank that derive directly from operations.

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.

32. Earnings per share

Particulars

	As at March 31, 2018	As at March 31, 2017
Net profit for the year attributable to equity shareholders	1,065,164	(1,796,254)
Weighted average number of equity shares	1,501,000	1,501,000
Par value per share	100	100
Basic earnings per share	0.71	(1.20)
Diluted earnings per share	0.71	(1.20)

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

Particulars

	As at March 31, 2018	As at March 31, 2017
(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

34. 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.

35. 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
(F No. 5538S)

M.Salahuddin, Director -----

A.R.Salim, Director -----

Kottayam
/ /2018

Syam Mohan
Partner (M No.234017)

Sreenath Reddy, Group CFO -----
Kochi
/ /2018