

**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, 2019, 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, 2019, 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.

Report on Other Legal and 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 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, 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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)

Syam Mohan
Partner
(Membership No. 234017)

Place: Kottayam

Date:

“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, 2019 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, 2019, 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:

“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.

vi) In our opinion and according to the information and explanation given to us and 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) 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, 2019 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, 2019.

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) 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 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)

Syam Mohan
Partner
(Membership No. 234017)

Place: Kottayam

Date:

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 PERIOD ENDED MARCH 31, 2019**

AMBADY INFRASTRUCTURE PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

(Amount in Rs.)

Particulars	Note No	Figures at the end of the current reporting period	Figures at the end of the previous reporting period
<u>I.ASSETS</u>			
<u>Non-current assets</u>			
Property, plant and equipment	5	91,75,14,528	91,75,23,690
Total Non-current assets		91,75,14,528	91,75,23,690
<u>Current assets</u>			
Financial assets			
Cash and cash equivalents	6	6,701	1,97,039
Other current assets	7	5,70,455	7,64,807
Total current assets		5,77,156	9,61,846
Total Assets		91,80,91,684	91,84,85,536
<u>II.EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Equity share capital	8	15,01,00,000	15,01,00,000
Other equity	9	55,45,37,870	55,49,33,609
Total equity		70,46,37,870	70,50,33,609
<u>Non-current liabilities</u>			
Provisions	10	3,682	-
Deferred tax liabilities	11	15,12,95,087	15,12,89,473
Total Non-current liabilities		15,12,98,768	15,12,89,473
<u>Current liabilities</u>			
Financial liabilities			
Borrowings	12	6,20,80,045	6,19,16,988
Other current liabilities	13	75,000	50,001
Provisions	14	-	1,95,465
Total current liabilities		6,21,55,045	6,21,62,454
Total Equity and liabilities		91,80,91,684	91,84,85,536

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)

Syam Mohan

Partner (M. No. 234017)

Kochi

A.R.Salim, Director

Dr. Harish Pillai, Director

Anoop Moopen, CEO

Thomas Joseph, Company Secretary

Kochi

AMBADY INFRASTRUCTURE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rs.)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
Revenue from operations		-	-
Other income	15	22,246	11,97,219
Total Income		22,246	11,97,219
Expenses			
Employee benefit expenses	16	1,70,882	-
Depreciation and amortisation expenses	5	9,162	9,162
Other expenses	17	2,32,328	1,16,453
Total Expenses		4,12,371	1,25,615
Profit/ (loss) before tax		(3,90,125)	10,71,604
Tax expense:			
Current tax		-	1,95,465
Transfer to MAT credit for the current year		-	(1,95,465)
Deferred tax	11	5,613	6,439
VII. Profit /(loss) for the period (V-VI)		(3,95,739)	10,65,165
Other Comprehensive Income			
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		-	-
Total comprehensive income for the period		(3,95,739)	10,65,165
Earnings per equity share			
Equity shares of par value Rs.100 each			
Basic	33	(0.26)	0.71
Diluted	33	(0.26)	0.71

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rangamani Associates

A.R.Salim, Director

Chartered Accountants
(F no. 5538S)

Dr. Harish Pillai, Director

Syam Mohan

Anoop Moopen, CEO

Partner (M No. 234017)
Kochi

Thomas Joseph, Company Secretary
Kochi

AMBADY INFRASTRUCTURE PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2019

(Amount in Rs.)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Cash flow from operating activities		
Profit before tax	(3,90,125)	10,71,604
Add: Preliminary expenses amortized	-	-
Add: Depreciation and amortization	9,162	9,162
Less: Interest income	-	-
Cash flow before working capital changes	(3,80,963)	10,80,766
Increase/(decrease) in provisions	(1,95,465)	1,95,465
Increase/(decrease) in long term provisions	3,682	-
Increase/(decrease) in current liabilities	1,88,056	(10,20,273)
(Increase)/decrease in loans and advances	-	-
(Increase)/decrease in receivables	-	-
(Increase)/decrease in other current assets	1,94,352	(1,38,072)
(Increase)/decrease in inventory	-	-
Cash generated from operations	(1,90,338)	1,17,887
Income tax paid	-	-
Net cash from operating activities	(1,90,338)	1,17,887
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	(1,90,338)	1,17,887
Add: Opening Cash and Cash equivalents	1,97,039	79,152
Closing cash and cash equivalents	6,701	1,97,039

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rangamani Associates

A.R.Salim, Director

Chartered Accountants
(F no. 5538S)

Dr. Harish Pillai, Director

Syam Mohan

Partner (M No. 234017)

Anoop Moopen, CEO

Kochi

Thomas Joseph, Company Secretary
Kochi

AMBADY INFRASTRUCTURE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(Amount in Rs.)

	Equity share capital	Securities premium	<u>Reserves and Surplus</u>			Total equity attributable to the equity holders of the company
			Retained earnings	Share options outstanding account	Revaluation Reserve	
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 other 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

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rangamani Associates

A.R.Salim, Director

Chartered Accountants

(F no. 5538S)

Dr. Harish Pillai, Director

Anoop Moopen, CEO

Syam Mohan

Partner (M No. 234017)

Kochi

Thomas Joseph, Company Secretary

Kochi

Notes forming part of the standalone financial statements for the year ended March 31, 2019

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 IndAS 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 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 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 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 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.

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

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) Recent accounting pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Since the company does not have any lease transactions, there shall be no impact on the financials statements on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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.

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

Particulars	Freehold land	Buildings	Total
Gross carrying value as at 01-04-2018	91,70,00,000	5,78,662	91,75,78,662
Additions/ (Deletions)	-	-	-
Gross carrying value as at 31-03-2019	91,70,00,000	5,78,662	91,75,78,662
Accumulated depreciation as at 01-04-2018	-	54,972	54,972
Charge for the year	-	9,162	9,162
Accumulated depreciation as at 31-03-2019	-	64,134	64,134
Carrying value as at 01-04-2018	91,70,00,000	5,23,690	91,75,23,690
Carrying value as at 31-03-2019	91,70,00,000	5,14,528	91,75,14,528

6 Cash and cash equivalents

The details of cash and cash equivalents are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	353	353
<u>Balance with banks</u>		
In current accounts	6,348	1,96,686
In deposit accounts	-	-
Total	6,701	1,97,039

7 Other current assets

The details of other current assets are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax	-	1,48,000
MAT credit entitlement	2,29,360	2,29,360
TDS receivable	1,113	3,87,447
IT refund due	3,39,982	-
Total	5,70,455	7,64,807

8 Share capital

a) The details of share capital are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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/		
Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
Aster DM Healthcare Limited	15,01,000	15,01,000
f) The company has not reserved any shares for issue under options, contracts and		
g) Details of following transactions in shares during the period of five years immediately		
Particulars	As at March 31, 2019	As at March 31, 2018
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:

Particulars	Amount (Rs)
Securities premium account	
As at April 1, 2018	1,69,90,903
Add: Premium on issue of shares during the year	-
As at March 31, 2019	1,69,90,903
Share options outstanding account	
As at April 1, 2018	-
Less: Transfer to Securities premium account	-
As at March 31, 2019	-
Profit and Loss account	
As at April 1, 2018	6,87,761
Add: Profit for the year	(3,95,739)
As at March 31, 2019	2,92,022
Revaluation reserves account	
As at April 1, 2018	53,72,54,945
Additions for the year	-
As at March 31, 2019	53,72,54,945
Total as on 01/04/2018	55,49,33,609
Total as on 31/03/2019	55,45,37,870

10 Long term provisions

The details of long term provisions are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity payable	3,682	-
Total	3,682	-

11 Deferred tax liabilities

The details of deferred tax liabilities are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
As at the beginning of the year	15,12,89,473	15,12,83,034
Additions during the year	5,613	6,439
As at the end of the year	15,12,95,087	15,12,89,473

12 Borrowings

The details of borrowings are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured:		
From holding company - Aster DM Healthcare Limited	6,20,80,045	6,19,16,988
Total	6,20,80,045	6,19,16,988

13 Other current liabilities

The details of other current liabilities are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances	7,500	5,000
Expenses payable	67,500	45,001
Total	75,000	50,001

Statutory remittances consist of TDS payable of Rs. 7500

14 Short term provisions

The details of short term provisions are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for taxation	-	1,95,465
Total	-	1,95,465

15 Other income

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

Particulars	As at March 31, 2019	As at March 31, 2018
Guarantee commission received	22,246	11,78,529
Interest on IT refund	-	18,690
Total	22,246	11,97,219

16 Employee benefit expenses

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

Particulars	As at March 31, 2019	As at March 31, 2018
Salaries and wages	1,67,200	-
Gratuity expenses	3,682	-
Total	1,70,882	-

17 Other expenses

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

Particulars	As at March 31, 2019	As at March 31, 2018
Audit fees	1,13,500	63,500
Professional charges	66,670	36,500
Rates and taxes	45,750	14,329
Other Establishment expenses	6,408	2,124
Total	2,32,328	1,16,453

18 Employee benefit plans

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 company is under an obligation to pay gratuity to its employees. Suitable provision for such liability is made in the books of accounts based on the methods specified in Accounting Standard-15 (AS-15) issued by the Institute of Chartered Accountants of India read with Section 133 of the Companies Act, 2013 and with relevant rules issued thereunder. No other post-retirement benefits are provided to employees.

19 Lease arrangements:

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

20 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, 2019	As at March 31, 2018
Debt	6,20,80,045	6,19,16,988
Less: Cash and cash equivalents	6,701	1,97,039
Net Debt	6,20,73,344	6,17,19,949
Total equity	70,46,37,870	70,50,33,609
Net debt to Equity Ratio	8.81%	8.75%

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, 2019 and March 31, 2018.

21 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.

22 Estimated amount of contracts pending execution on capital account

2018-19	2017-18
Nil	Nil

23 Managerial remuneration

2018-19	2017-18
Nil	Nil

24 Auditor's remuneration

	2018-19	2017-18
For statutory audit	75,000	50,000

25 Taxes on income

Since the company does not have taxable income under the Income Tax Act, 1961, no provision for current income 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. 5,613 for the current year. The total net deferred tax account shows a liability of Rs.15,12,95,087 at the end of the current year.

26 Raw material consumption

2018-19	2017-18
Nil	Nil

27 Value of imports on CIF basis

2018-19	2017-18
Nil	Nil

28 Value of FOB value of exports

2018-19	2017-18
Nil	Nil

29 The amount remitted during the year on account of dividend

2018-19	2017-18
Nil	Nil

30 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

Holding company

Name of Related Party

Aster DM Healthcare Limited

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	2018-19	2017-18
Loans received	Aster DM Healthcare Limited	3,27,000	-
Loans repaid	Aster DM Healthcare Limited	1,89,000	1,63,000
Guarantee commission received	Aster DM Healthcare Limited	21,133	11,78,529
Reimbursement of expenses	Aster DM Healthcare Limited	46,190	4,01,256

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

Nature of Transaction	Related Party	2018-19	2017-18
Amount payable	Aster DM Healthcare	6,20,80,045	6,19,16,988
Outstanding guarantee to bank	Aster DM Healthcare	-	1,80,00,00,000

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

31 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

Particulars	Carrying Value		Fair value	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Financial Assets				
Cash and Cash equivalents	6,701	1,97,039	6,701	1,97,039
Total Assets	6,701	1,97,039	6,701	1,97,039
Financial Liabilities				
Borrowings	6,20,80,045	6,19,16,988	6,20,80,045	6,19,16,988
Other Liabilities	6,20,80,045	6,19,16,988	6,20,80,045	6,19,16,988

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).

32 **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

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.

33 **Earnings per share**

Particulars

	As at March 31, 2019	As at March 31, 2018
Net profit for the year attributable to equity shareholders	(3,95,739)	10,65,165
Weighted average number of equity shares	15,01,000	15,01,000
Par value per share	100	100
Basic earnings per share	(0.26)	0.71
Diluted earnings per share	(0.26)	0.71

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

Particulars	As at March 31, 2019	As at March 31, 2018
(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

35 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.

36 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)

Syam Mohan

Partner (M No. 234017)

Kochi

A.R.Salim, Director

Dr. Harish Pillai, Director

Anoop Moopen, CEO

Thomas Joseph, Company Secretary

Kochi