INDEPENDENT AUDITOR'S REPORT

To The Members of Aster DM Healthcare (Trivandrum) Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aster DM Healthcare (Trivandrum) Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31 March 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibility for the Audit of the Financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' report and its annexures, but does not include the financial statements and our auditor's report thereon.

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

- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these 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 Ind AS 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Other Matter

The financial information of the Company for the year ended 31 March 2020 prepared in accordance with Ind AS included in the financial statements, representing the comparative and opening balances in these financial statements, were audited by the predecessor auditor. The audit report of the predecessor auditor dated 10 July 2020, on such financial information, expressed an unmodified opinion.

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.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   (d) In our opinion, the aforesaid financial statements comply the Ind AS specified under section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year and hence the provisions of section 197 of the Act are not applicable to the Company for the year.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 litigations which would impact its financial position.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Jaideep S. Trasi
(Partner)
(Membership No. 211095)
(UDIN: 21211095AAAACN6093)

Place: Bengaluru
Date: 30 July 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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 Aster DM Healthcare (Trivandrum) Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone Ind AS 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 control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 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 31 March 2021, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No. 008072S)

Jaideep S. Trasi
(Partner)
(Membership No. 211095)
(UDIN: 21211095AAAACN6093)

Place: Bengaluru
Date: 30 July 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at 31 March 2021 and therefore the provisions of clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Services Tax and Value Added Tax as on 31 March 2021 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of 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 (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided managerial remuneration during the year and hence provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company for the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Jaideep S. Trasi
(Partner)
(Membership No. 211095)
(UDIN: 21211095AAAACN6093)

Place: Bengaluru
Date: 30 July 2021

Aster DM Healthcare (Trivandrum) Private Limited
Balance sheet as at 31 March 2021
(All amounts in Indian rupee thousands)

	Note	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	**4**	6,60,421.11	6,62,493.41
Capital work-in-progress		2,55,659.51	2,54,651.91
Financial assets			
Investments	**5**	10.00	-
Loans	**6**	200.00	200.00
Income tax assets (net)	**19**	170.44	208.96
Total non-current assets		**9,16,461.06**	**9,17,554.28**
Current assets			
Financial assets			
Trade receivables	**7**	-	-
Cash and cash equivalents	**8**	69.34	20.89
Other bank balances	**9**	1,674.94	1,583.37
Other financial assets	**10**	1,552.82	3,451.32
Total current assets		**3,297.10**	**5,055.58**
Total assets		**9,19,758.16**	**9,22,609.86**
Equity and liabilities			
Equity			
Equity share capital	**11**	80,100.00	80,100.00
Other equity		25,836.77	1,04,713.64
Equity attributable to owners of company		**1,05,936.77**	**1,84,813.64**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	**12**	8,10,826.07	7,34,430.06
Total non-current liabilities		**8,10,826.07**	**7,34,430.06**
Current liabilities			
Financial liabilities			
Borrowings	**12**	1,993.51	3,078.74
Trade payables	**13**		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		911.66	191.42
Other current liabilities	**14**	90.15	96.00
Total current liabilities		**2,995.32**	**3,366.16**
Total equity and liabilities		**9,19,758.16**	**9,22,609.86**
Significant accounting policies	**3**		

The accompanying notes form an integral part of these financial statements — Note 1 to 28

As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration number: 008072S

for and on behalf of the Board of Directors of
Aster DM Healthcare (Trivandrum) Private Limited
CIN: U85110KL2010PTC25573

Jaideep S. Trasi
Partner
Membership No.: 211095
Bengaluru

T J Wilson
Director
DIN: 02135108
Dubai

Sreenath P Reddy
Director
DIN: 00946877
Dubai

Puja Aggarwal
Company Secretary
Membership No : ACS 49310
Bengaluru

Aster DM Healthcare (Trivandrum) Private Limited
Statement of profit and loss for the year ended 31 March 2021
(All amounts in Indian rupee thousands)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Other income	**15**	611.34	555.87
Total income		**611.34**	**555.87**
Expenses			
Finance costs	**16**	77,947.21	-
Depreciation expenses	**17**	2,072.30	2,778.55
Other expenses	**18**	1,019.90	1,524.07
Total expenses		**81,039.41**	**4,302.62**
Loss before tax		**(80,428.07)**	**(3,746.75)**
Tax expense			
Current tax	**19**	-	-
Deferred tax	**19**	-	-
Total Tax expense		**-**	**-**
Loss for the year		**(80,428.07)**	**(3,746.75)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		**-**	**-**
Total comprehensive loss for the year		**(80,428.07)**	**(3,746.75)**
Loss per share (equity share of face value of INR 10 each)	**21**		
Basic and diluted (INR)		(10.04)	(0.47)
Significant accounting policies	**3**		

The accompanying notes form an integral part of these financial statements — Note 1 to 28

As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration number: 008072S

Jaideep S. Trasi
Partner
Membership No.: 211095
Bengaluru

for and on behalf of the Board of Directors of
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Aster DM Healthcare (Trivandrum) Private Limited
Statement of cash flows for the year ended 31 March 2021
(All amounts in Indian rupee thousands)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities		
Loss before exceptional items and tax	(80,428.07)	(3,746.75)
Adjustments for:		
Depreciation expenses	2,072.30	2,778.55
Finance costs	77,947.21	-
Interest income	(108.31)	(107.27)
Gain on disposal of property, plant and equipment (net)	-	1,116.81
Operating cash flows before movements in working capital	**(516.87)**	**41.34**
Movements in working capital		
(Increase)/decrease in other financial assets	1,825.92	(557.82)
Increase/(decrease) in trade payable and other liabilities	714.39	84.01
Cash generated from / (used in) operating activities	**2,023.44**	**(432.47)**
Taxes paid, net of refund received	38.52	129.28
Net cash generated from / (used in) operating activities (A)	**2,061.96**	**(303.19)**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,007.59)	(3,033.22)
Investments in subsidiaries	(10.00)	-
Interest received	89.31	106.48
Net cash (used in) investing activities (B)	**(928.28)**	**(2,926.74)**
Cash flows from financing activities		
Short term secured loans repaid	(1,085.23)	-
Long term secured loans availed	-	2,645.75
Net cash (used in)/ generated from financing activities (C)	**(1,085.23)**	**2,645.75**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**48.45**	**(584.18)**
Cash and cash equivalents at the beginning of the year	20.89	605.07
Cash and cash equivalents at the end of the year	**69.34**	**20.89**

Changes in liabilities arising from financing activities for the year ended 31 March 2021

Particulars	As at 1 April 2020	Cash inflows	Cash outflows	Non cash changes		As at 31 March 2021
				Interest	Foreign exchange	
Non-current borrowings	9,92,473.05	-	-	77,947.21	-	10,70,420.26
Current borrowings	3,078.74	-	(1,085.23)	-	-	1,993.51
Total	**9,95,551.79**		**(1,085.23)**	**77,947.21**	**-**	**10,72,413.77**

Changes in liabilities arising from financing activities for the year ended 31 March 2020

Particulars	As at 1 April 2019	Cash inflows	Cash outflows	Non cash changes		As at 31 March 2020
				Interest	Foreign exchange	
Non-current borrowings	-	-	9,92,473.05	-	-	9,92,473.05
Current borrowings	9,92,906.05	-	(9,89,827.31)	-	-	3,078.74
Total	**9,92,906.05**	**-**	**2,645.74**	**-**	**-**	**9,95,551.79**

(Refer to Note 8 - Cash and cash equivalents)
The accompanying notes form an integral part of these financial statements — Note 1 to 28

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration number: 008072S

for and on behalf of the Board of Directors of
Aster DM Healthcare (Trivandrum) Private Limited
CIN: U85110KL2010PTC25573

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Company Secretary
Membership No : ACS 49310
Bengaluru

Aster DM Healthcare (Trivandrum) Private Limited
Statement of changes in equity for the period ended 31 March 2021
(All amounts in Indian rupee thousands)

A. Equity share capital

	Note	No of shares	Amount
Balance as at 1 April 2019		**8,010.00**	**80,100.00**
Changes in equity share capital during 2019-20	**11**	**-**	**-**
As at 31 March 2020		**8,010.00**	**80,100.00**
Changes in equity share capital during 2020-21	**11**	**-**	**-**
As at 31 March 2021		**8,010.00**	**80,100.00**

B Other equity

Particulars	Retained earnings	Other components of equity	Total other equity attributable to equity holders of the Company
Balance as at 1 April 2019	**(1,49,582.61)**	**-**	**(1,49,582.61)**
Total comprehensive income for the year ended 31 March 2020			
Loss for the year	(3,746.75)	-	(3,746.75)
Total comprehensive loss	**(3,746.75)**	**-**	**(3,746.75)**
Transactions with owners, recorded directly in equity			
Loan from holding company - equity component	-	2,58,042.99	2,58,042.99
Total contributions by and distributions to owners	-	2,58,042.99	2,58,042.99
Balance as at 31 March 2020	**(1,53,329.36)**	**2,58,042.99**	**1,04,713.64**
Balance as at 1 April 2020	**(1,53,329.36)**	**2,58,042.99**	**1,04,713.64**
Total comprehensive income for the year ended 31 March 2021			
Loss for the year	(80,428.07)	-	(80,428.07)
Total comprehensive loss	**(80,428.07)**	**-**	**(80,428.07)**
Transactions with owners, recorded directly in equity			
Loan from holding company -equity component	-	1,551.20	1,551.20
Total contributions by and distributions to owners	-	1,551.20	1,551.20
Balance as at 31 March 2021	**(2,33,757.43)**	**2,59,594.19**	**25,836.77**

The description of the nature and purpose of each reserve within equity is as follows:
Other components of equity represent the equity component on account of interest-free/lower than market interest loan provided by holding company.

The accompanying notes form an integral part of these financial statements Note 1 to 28

As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration number: 008072S

Jaideep S. Trasi
Partner
Membership No.: 211095
Bengaluru

for and on behalf of the Board of Directors of
Aster DM Healthcare (Trivandrum) Private Limited
CIN: U85110KL2010PTC25573

T J Wi Sreenath P Reddy
Directo *Director*
DIN: 0: DIN: 00946877
Dubai Dubai

Puja Aggarwal
Company Secretary
Membership No : ACS 49310
Bengaluru

Aster DM Healthcare (Trivandrum) Private Limited
Notes to the financial statements (continued)
(All amounts in Indian rupee thousands)

4 Property, plant and equipment

Particulars	Freehold land	Computer equipment	Furniture and fixtures	Medical equipment	Office equipment	Motor vehicles	Total
Gross carrying value							
Balance at 1 April 2019	6,58,539.39	550.50	669.68	27,198.02	3,949.91	347.27	6,91,254.77
Additions	-	-	-	-	-	-	-
Disposals	-	(25.15)	(88.12)	(6,943.38)	(1,192.21)	(23.76)	(8,272.62)
Balance at 31 March 2020	**6,58,539.39**	**525.35**	**581.56**	**20,254.64**	**2,757.70**	**323.51**	**6,82,982.15**
Balance at 1 April 2020	6,58,539.39	525.35	581.56	20,254.64	2,757.70	323.51	6,82,982.15
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance at 31 March 2021	**6,58,539.39**	**525.35**	**581.56**	**20,254.64**	**2,757.70**	**323.51**	**6,82,982.15**
Accumulated depreciation							
Balance at 1 April 2019	-	450.09	669.68	19,449.05	3,949.91	347.27	24,866.00
Depreciation	-	62.99	-	2,715.56	-	-	2,778.55
Eliminated on disposals	-	(25.15)	(88.12)	(5,826.57)	(1,192.21)	(23.76)	(7,155.81)
Balance at 31 March 2020	**-**	**487.93**	**581.56**	**16,338.04**	**2,757.70**	**323.51**	**20,488.74**
Balance at 1 April 2020	-	487.93	581.56	16,338.04	2,757.70	323.51	20,488.74
Depreciation	-	37.42	-	2,034.88	-	-	2,072.30
Eliminated on disposals	-	-	-	-	-	-	-
Balance at 31 March 2021	**-**	**525.35**	**581.56**	**18,372.92**	**2,757.70**	**323.51**	**22,561.04**
Carrying amounts (net)							
At 31 March 2021	**6,58,539.39**	**-**	**-**	**1,881.72**	**-**	**-**	**6,60,421.11**
At 31 March 2020	**6,58,539.39**	**37.42**	**-**	**3,916.60**	**-**	**-**	**6,62,493.41**

(All amounts in Indian rupee thousands)

	As at 31 March 2021	As at 31 March 2020
5 Investments		
Non-current investments, unquoted		
Investments in equity instruments of subsidiary (at cost)		
Warseps Healthcare LLP	10.00	-
	10.00	**-**
Aggregate carrying amount of unquoted investments	10.00	-
6 Loans		
Non-current		
Unsecured, considered good		
Other deposits	200.00	200.00
	200.00	**200.00**
7 Trade receivables		
Current		
Considered doubtful - unsecured	754.47	754.47
Less: Loss allowance	(754.47)	(754.47)
	-	**-**
8 Cash and cash equivalents		
Cash on hand	0.04	0.14
Balance with banks	69.30	20.75
	69.34	**20.89**
9 Other bank balances		
Balance in banks for margin money	1,674.94	1,583.37
	1,674.94	**1,583.37**
10 Other financial assets		
Current		
Unsecured, considered good		
Interest accrued on fixed deposits with banks	126.02	107.02
Lease income receivable*	1,036.10	453.60
Other receivables#	390.70	2,890.70
	1,552.82	**3,451.32**

*Unbilled lease income for lease retal of equipments from M/S Aster DM Healthcare Limited amounts INR 1036.10 (previous year: INR 453.60)

#Other receivables includes receivables from M/S Emed Human Resources India Private Limited for sale of Property, plant and equipment amounting to INR 390.70 (previous year: INR 2,890.70)

11 Share capital

	As at 31 March 2021		As at 31 March 2020	
	Number of shares (in thousands)	**Amount**	**Number of shares (in thousands)**	**Amount**
Authorised				
Equity shares of INR 10 each	40,100.00	4,01,000.00	40,100.00	4,01,000.00
	40,100.00	**4,01,000.00**	**40,100.00**	**4,01,000.00**
Issued, subscribed and fully paid-up				
Equity shares of INR 10 each	8,010.00	80,100.00	8,010.00	80,100.00
	8,010.00	**80,100.00**	**8,010.00**	**80,100.00**
Reconcilation of shares outstanding at the beginning and at the end of the reporting year				
Equity shares of INR 10 each fully paid-up				
At the beginning of the year	8,010.00	80,100.00	8,010.00	80,100.00
Add: issued during the year	-	-	-	-
At the end of the year	**8,010.00**	**80,100.00**	**8,010.00**	**80,100.00**

(a) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to shareholders' share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(b) Shares held by holding company

	As at 31 March 2021		As at 31 March 2020	
	Number of shares (in thousands)	**Amount**	**Number of shares (in thousands)**	**Amount**
Equity shares of INR 10 each fully paid-up held by				
Aster DM Healthcare Limited, Holding company	8,005.00	80,100.00	8,010.00	80,100.00

(c) Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2021		As at 31 March 2020	
	Number of shares (in thousands)	**%**	**Number of shares (in thousands)**	**%**
Equity shares of INR 10 each fully paid -up held by				
Aster DM Healthcare Limited, India, the holding company	8,005.00	100%	8,005.00	100%

(d) Shares reserved for issue under options and contracts: Nil

(e) Details of bonus shares issued during the past 5 years:Nil

(f) Details of shares issue for consideration other than cash during the past 5 years:Nil

(g) Details of buyback of shares during the past 5 years:Nil

(All amounts in Indian rupee thousands)

	As at 31 March 2021	As at 31 March 2020
12 Borrowings		
Non-current		
Unsecured		
Loan from holding company**	8,10,826.07	7,34,430.06
	8,10,826.07	**7,34,430.06**
Current		
Unsecured		
Loan from holding company**	1,993.51	3,078.74
	1,993.51	**3,078.74**
	8,12,819.58	**7,37,508.80**

**The company has converted the existing demand loan from the holding company amounting to Rs.1,070,420.26, in to a non-interest bearing term loan with a maturity period of 3 years. According Ind AS 109, the portion of equity component has been reclassified in to other equity (refer statement of changes in equity)

	As at 31 March 2021	As at 31 March 2020
13 Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	911.66	191.42
	911.66	**191.42**
14 Other liabilities		
Current		
Statutory dues payables	90.15	96.00
	90.15	**96.00**

(All amounts in Indian rupee thousands)

	Year ended 31 March 2021	Year ended 31 March 2020
15 Other income		
Interest income under the effective interest method on:		
Fixed deposits with banks	108.31	107.27
Other non-operating income	3.03	28.60
Income on lease of asset*	500.00	420.00
	611.34	**555.87**

* Refer Note 24

	Year ended 31 March 2021	Year ended 31 March 2020
16 Finance Cost		
Interest on bank borrowings	77,947.21	-
	77,947.21	**-**
17 Depreciation		
Depreciation on property, plant and equipment (refer Note 4)	2,072.30	2,778.55
	2,072.30	**2,778.55**
18 Other expenses		
Legal, professional and other consultancy	230.25	183.71
Auditors remuneration (refer Note 22)	750.00	175.00
Rates and taxes	28.30	20.31
Loss on sale of fixed asset (net)	-	1,116.81
Miscellaneous expenses	11.35	28.24
	1,019.90	**1,524.07**

(All amounts in Indian rupee thousands)

19 Income taxes

	As at 31 March 2021	As at 31 March 2020
(a) Income tax assets/(liability)		
Income tax payments, including taxes withheld	170.44	208.96
Less: Provision made towards tax liabilities	-	-
Net income tax assets/(liability) at the end	**170.44**	**208.96**

(b) Amount recognised in statement of profit and loss	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	-	-
Deferred tax	-	-
Tax expense for the year	**-**	**-**

(c) Reconciliation of effective tax rate

The standard rate of corporation tax applied to reported profit is 27.82 per cent (2019-20: 27.82 per cent). The Company has not opted for concessional tax rate regime effective from financial year 2019-20.

	Year ended 31 March 2021	Year ended 31 March 2020
Loss before tax	(80,428.07)	(3,746.75)
Statutory income tax rate	27.82%	27.82%
Tax asset	(22,375.09)	(1,042.35)
Non-deductible expenses/ permanent differences	21,684.91	-
Other temporary differences	(14.15)	-
Un-recognised deffered tax assets	704.33	1,042.35
Income tax expense	**-**	**-**

(d) Recognised deferred tax assets and (liabilities)	Year ended 31 March 2021	Year ended 31 March 2020
(i) Deferred tax assets/(liabilities)		
Deferred tax asset	-	-
Deferred tax liabilities	-	-
Deferred tax liability (net)	**-**	**-**

Deferred tax assets and deferred tax liabilities have been offset wherever the management has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.
In assessing the realizability of deferred tax assets, the management considers the extent to which, it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible.
Deferred tax asset in respect of unused tax have not been recognized on account of historical losses and unfavourable cashflow for a prolonged period by the Company.

(ii) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits there from:

	31 March 2021		31 March 2020	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Tax losses (business loss)	59,754.34	16,623.66	87,359.95	24,303.54
Tax losses (unabsorbed depreciation)	47,021.65	13,081.42	44,898.49	12,490.76
Total deferred tax asset	**1,06,775.99**	**29,705.08**	**1,32,258.44**	**36,794.30**

(iii) Tax losses carried forward	As at 31 March 2021	Expiry Date	As at 31 March 2020	Expiry Date
Brought forward losses	59,754.34	Various dates from 2021 to 2029	87,359.95	Various dates from 2020 to 2028
Unabsorbed depreciation	47,021.65	Infinite period	44,898.49	Infinite period
Total tax losses carried forward	**1,06,775.99**	-	**1,32,258.44**	-

Deferred tax assets have not been recognized in respect of the above items, because it is not probable that future taxable profit will be available against which the Company can use the benefits. The above is arrived basis the balances as on date. The deductible temporary difference do not expire under the current tax legislation.

(All amounts in Indian rupee thousands)

20 Capital commitment

Particulars	As at 31 March 2021	As at 31 March 2020
Commitments		
Capital commitments	50,491.67	50,491.67

The Company does not have any long-term commitments or material non-cancellable contractual commitments / contracts, including derivative contracts for which there were any material foreseeable losses.

21 Earnings per share

The calculation of profit/(loss) attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic and diluted loss per share calculations are as follows:

i) Net loss attributable to equity share holders

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net loss for the year, attributable to the equity share holders	(80,428.07)	(3,746.75)

ii) Weighted average number of equity shares

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance (refer Note 11)	8,010.00	8,010.00
Weighted average number of equity shares of INR 10 each for the year	8,010.00	8,010.00
Earnings/ (loss) per share, basic and diluted (INR)	(10.04)	(0.47)

22 Payment to auditors (included under legal and professional charges, net of goods and GST)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Statutory audit	750.00	175.00
Total	**750.00**	**175.00**

23 Segmental reporting

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).The CODM evaluates the Company's performance and allocates resources on overall basis. The Company’s sole operating segment is therefore ‘Medical and Healthcare Services’. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.
The Company operates in India and revenue generations is from a wide spread of the customers and hence the group wide disclosures of major customers are not applicable.

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(All amounts in Indian rupee thousands)

24 Related parties (as per Ind AS)

A. Related party relationships

Names of related parties and description of relationship with the Company:

(a)	Holding company	Aster DM Healthcare Limited, India
(b)	Fellow subsidiaries	EMED Human Resources India Private Limited
		Warseps Healthcare LLP
(c)	Key managerial personnel and others	
		Mr. Sreenath Reddy (Director)
		Mr. T J Wilson (Director)
		Miss. Puja Aggarwal (Company Secretary)
		Dr. A R Salim (Independent Director)
		M. Salahuddin (Independent Director)
		Dr. Harish Pillai (Additional Director)

B. Related party transactions:

The Company has entered into the following transactions with related parties during the year ended 31 March 2021 and 31 March 2020.

Sl.No.	Nature of transaction	Year ended 31 March 2021	Year ended 31 March 2020
1	**Aster DM Healthcare Limited**		
	Short term borrowings availed	291.00	238.00
	Expenses incurred by holding company	1,113.76	3,078.74
	Interest on Loan	77,947.21	-
	Short term borrowings repaid	2,490.00	671.00
	Rental income	500.00	495.00
	Receipts against amount due	7.50	-
2	**EMED Human Resources India Private Limited**		
	Disbursement of dues payable	2,500.00	-
3	**Warseps Healthcare LLP**		
	Investments	10.00	-

C. Balance receivable / (payable) as at the year end

Sl.No.	Particulars	As at 31 March 2021	As at 31 March 2020
1	**Aster DM Healthcare Limited**		
	Short term borrowings	(1,993.51)	(3,078.74)
	Long term borrowings	(8,10,826.07)	(7,34,430.06)
	Unbilled lease income	1,036.10	453.60
2	**EMED Human Resources India Private Limited (with effect from 31 March 2020)**		
	Other receivables	390.70	2,890.70

(All amounts in Indian rupee thousands)

25 Financial Instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in fair value hierarchy.

As at 31 March 2021

Particulars	Note	Carrying amount: Financial assets at amortised cost	Carrying amount: Financial liabilities at amortised cost	Carrying amount: Total carrying value	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: Total
Assets								
Financial assets not measured at fair value*								
Investment	5	10.00	-	10.00	-	-	-	-
Loans	6	200.00	-	200.00	-	-	-	-
Trade receivables	7	-	-	-	-	-	-	-
Cash and cash equivalents	8	69.34	-	69.34	-	-	-	-
Other bank balances	9	1,674.94	-	1,674.94	-	-	-	-
Other financial assets	10	1,552.82	-	1,552.82	-	-	-	-
Total		**3,507.10**	**-**	**3,507.10**	-	-	-	-
Liabilities								
Financial liabilities not measured at fair value*								
Borrowings	12	-	8,12,819.58	8,12,819.58	-	-	-	-
Trade payables	13	-	911.66	911.66	-	-	-	-
Total		**-**	**8,13,731.24**	**8,13,731.24**	-	-	-	-

As at 31 March 2020

Particulars	Note	Carrying amount: Financial assets at amortised cost	Carrying amount: Financial liabilities at amortised cost	Carrying amount: Total carrying value	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: Total
Assets								
Financial assets not measured at fair value*								
Loans	6	200.00	-	200.00	-	-	-	-
Trade receivables	7	-	-	-	-	-	-	-
Cash and cash equivalents	8	20.89	-	20.89	-	-	-	-
Other bank balances	9	1,583.37	-	1,583.37	-	-	-	-
Other financial assets	10	3,451.32	-	3,451.32	-	-	-	-
Total		**5,255.58**	**-**	**5,255.58**	-	-	-	-
Liabilities								
Financial liabilities not measured at fair value*								
Borrowings	12	-	7,37,508.80	7,37,508.80	-	-	-	-
Trade payables	13	-	191.42	191.42	-	-	-	-
Total		**-**	**7,37,700.22**	**7,37,700.22**	-	-	-	-

(All amounts in Indian rupee thousands)

25 Financial instruments - Fair values and risk management (continued)

B Financial risk management

The Company's activities expose it to a variety of financial risks: (a) credit risk, (b) liquidity risk and (c) market risk.

i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's board of directors oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligalion under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 754.47 (31 March 2020: INR 754.47).

The movement in lifetime ECL in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	**As at 31 March 2021**	**As at 31 March 2020**
Balance at the beginning	754.47	754.47
Impairment loss recognised/ reversed	-	-
Balance at the end	**754.47**	**754.47**

No single customer accounted for more than 10% of the revenue as of 31 March 2021. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent and other bank balances is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit raling agencies.

iii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the Company's short, medium and long-term funding and liquidity management requirements. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	**Less than 1 year**	**More than 1 year**	**Total**
Borrowings	1,993.51	8,10,826.07	8,12,819.58
Trade payables	911.66	-	911.66
Total	**2,905.17**	**8,10,826.07**	**8,13,731.24**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2020:

Particulars	**Less than 1 year**	**More than 1 year**	**Total**
Borrowings	3,078.74	7,34,430.06	7,37,508.80
Trade payables	191.42	-	191.42
Total	**3,270.16**	**7,34,430.06**	**7,37,700.22**

iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Company. The functional currency of company is INR There are no transactions made in foreign currency by the Company during the year.

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

Interest rate risk exposure

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates. The Company's significant interest rate risk arises from long-term borrowings with variable interest rates, which expose the Company to cash flow interest rate risk. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Financial liabilities (bank borrowings)	**31 March 2021**	**31 March 2020**
Variable rate long term borrowings	8,10,826.07	7,34,430.06

(All amounts in Indian rupees thousands)

25 Financial instruments - Fair values and risk management (continued)
Interest rate risk exposure (continued)

Sensitivity

Particulars	**Impact on loss**		**Impact on equity, net of tax**	
	31 March 2021	**31 March 2020**	**31 March 2021**	**31 March 2020**
1% increase in MCLR rate	(8,108.26)	(7,344.30)	(8,108.26)	(7,344.30)
1% decrease in MCLR rate	8,108.26	7,344.30	8,108.26	7,344.30

The analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A one per cent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The Company's sensitivity to interest rates has increased in the current year due to the additional variable rate long term borrowings taken during the year.

26 Capital management
The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.
The capital structure as of 31 March 2021 and 31 March 2020 was as follows:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Total equity attributable to the equity shareholders of the Company	1,05,936.77	1,84,813.64
As a percentage of total capital	**12%**	**20%**
Short-term borrowings	1,993.51	3,078.74
Long-term borrowings	8,10,826.07	7,34,430.06
Total borrowings	**8,12,819.58**	**7,37,508.80**
As a percentage of total capital	**88%**	**80%**
Total capital (equity and borrowings)	**9,18,756.35**	**9,22,322.44**

27 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company believes that the COVID 19 pandemic will only have a short term impact on its operations and after easing of the lockdown restrictions, the business is expected to return to normal. The Company has considered available internal and external information while finalizing various estimates in relation to its financial statements upto the date of approval of the financial statements by the Board of Directors. The ultimate holding Company, Aster DM Healthcare Limited ("ADMHL") has provided letter of support to the Company stating that it would continue to provide financial and other support necessary to the Company at least 12 months from the date of the financial statements adoption to enable the Company to continue operations and meet its obligations. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial statement for the year ended 31 March 2021.

28 The financial statements of the Company for the year ended 31 March 2020, were audited by B S R & Associates LLP, Chartered Accountants.

As per our report of even date attached

for and on behalf of the Board of Directors of
Aster DM Healthcare (Trivandrum) Private Limited
CIN: U85110KL2010PTC25573

T J Wilson
Director
DIN: 02135108
Dubai

Sreenath P Reddy
Director
DIN: 00946877
Dubai

Puja Aggarwal
Company Secretary
Membership No : ACS 49310
Bengaluru

1. Company overview

Aster DM Healthcare (Trivandrum) Private Limited ("the Company") was incorporated on 25 February 2010 as a private limited company under the Companies Act, 1956. The registered office of the Company is located at Kochi, Kerala. The Company is a subsidiary of Aster DM Healthcare Limited.

The Company is planning to construct a 600 bed multi-specialty hospital on 6.5 acres of land at Karimanal, Trivandrum. The project would be carried out in three phases with a total expected area of 7 lakh square footage for the finished hospital.

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant amended rules prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

The financial statements were authorised for issue by the Company's Board of Directors on 30 July 2021.

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are presented in Indian Rupees in thousands, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Certain financial assets and liabilities	Fair value

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by the management on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements, Assumptions and estimation uncertainties

Information about judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2021 is included in the following notes:

- Note 4 - Measurement of useful life and residual value of property, plant and equipment;
- Note 19 - Recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;
- Note 25 - Impairment of financial assets;
- Note 20 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

2. Basis of preparation (continued)

D. Use of estimates and judgements (continued)

- Note 25 – Impairment of financial assets.

Estimation uncertainties relating to COVID-19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. This pandemic resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Company adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption and has considered available internal and external information upto the date of approval of the financial statements by the Board of Directors. The Company has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and the Company has evaluated impact of the pandemic in assessing the recoverability of property plant and equipment (including Capital work in progress), investments, intangibles, inventories, receivables and other assets based on its review of current indicators of future economic conditions. Based on current estimates, including the availability of financing facilities for maintaining liquidity, the Company expects to fully recover the carrying amount of these assets. Further, the Company has taken various measures to reduce its fixed cost - for example, salary reductions, optimization of administrative, sales and marketing costs, deferment of capex along with judicious resource allocation and requesting for the waiver of minimum guarantee fee and revenue share for hospital premises taken on lease. The eventual outcome of impact of the global health pandemic may be different from that which has been estimated as on the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any, and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic conditions arise.

a. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

2. Basis of preparation (continued)

D. Use of estimates and judgements (continued)

- Financial instruments
- Fair value of property, plant and equipment and intangible assets

E. Going concern

The Company had commenced construction of a 600 bed multi-specialty hospital at Trivandrum. On account of COVID – 19 and to preserve cash, the Management has decided to temporarily stop the construction for a period of 6 to 12 months. Based on the business plan and the following mitigating factors, Management is confident that the Company will be able to start its operations and generate profits in future years and meets its financial obligation as they arise:

1. The Company has a business plan to implement the project and start commercial operations by 2024-25.

2. The holding Company, Aster DM Healthcare Limited ("ADMHL") has provided letter of support to the Company stating that it would continue to provide financial and other support necessary to the Company at least 12 months from the date of the Financial Statements adoption to enable the Company to continue the construction from end of financial year 2020-21.

The financial statements of the Company are prepared on the basis of going concern assumption.

F. Recent Accounting Pronouncements

Amendments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

On 24 March 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.

3. Significant accounting policies

3.1 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

3. Significant accounting policies (continued)

3.1 Property, plant and equipment (continued)

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are shown under other non-current assets. The cost of property, plant and equipment not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

ii. Subsequent expenditure and derecognition

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in standalone statement of profit and loss.

iii. Depreciation

Depreciation on property, plant and equipment are provided on the straight-line method over the useful lives of the assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of assets	Useful life
Medical equipment *	10-13
Motor vehicles *	5
Computer equipment	3
Furniture and fixtures *	5-10
Office equipment*	10

* For the above-mentioned classes of assets, the Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use and is included in depreciation and amortisation expenses in standalone statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of

3. Significant accounting policies (continued)

3.2 Intangible assets (continued)

each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful lives of Trademarks is 3 years.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in standalone statement of profit and loss when the asset is derecognised.

3.3 Impairment

i. Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the standalone balance sheet:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

3. Significant accounting policies (continued)

3.3 Impairment (continued)

ii. Impairment of non- financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent of impairment loss, if any.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Intangible assets and 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the standalone 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 standalone 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 amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.4 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

3.5 Recognition of dividend income, interest income or interest expense

Dividend income is recognised in statement of profit and loss on the date on which the right to receive payment is established.

3. Significant accounting policies (continued)

3.5 Recognition of dividend income, interest income or interest expenses (continued)

Interest on deployment of surplus funds is recognized using the time proportionate method, based on the transactional interest rates.

Interest income or expense is recognised using the effective interest method.
The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.
In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

3.6 Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the

judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3. Significant accounting policies (continued)

3.6 Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

3.7 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset until such time as the asset is substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.8 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss - FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in standalone statement of profit and loss.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as either at amortised cost, FVTPL or fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

3. Significant accounting policies (continued)

3.8 Financial instruments (continued)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3. Significant accounting policies (continued)

3.8 Financial instruments (continued)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.
The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in standalone statement of profit and loss.

3. Significant accounting policies (continued)

3.8 Financial instruments (continued)

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.9 Earnings / (loss) per share

The basic earnings / (loss) per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.10 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

3.12 Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle