

Affinity Holdings Pvt. Ltd

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2022

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The directors are pleased to present their commentary together with the audited financial statements of **Affinity Holdings Pvt. Ltd** (the "Company") for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the Company is to engage in investment holding.

RESULTS AND DIVIDENDS

The Company's results for the year are shown in the statement of profit or loss and other comprehensive income on page 8.

The directors have declared and paid a dividend of USD 6,225,091 for the year under review (2021: USD Nil).

STATUS

The Company was incorporated in the Republic of Mauritius on January 24, 2008 under the Mauritius Companies Act 2001 and holds a Global Business Licence.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards ("IFRS") have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditor, Baker Tilly, has indicated its willingness to continue in office and a resolution concerning its re-appointment will be proposed at the annual meeting.

Affinity Holdings Pvt. Ltd

SECRETARY'S CERTIFICATE FOR THE YEAR ENDED 31 MARCH 2022

We certify, to the best of our knowledge and belief, that Affinity Holdings Pvt. Ltd (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under Section 166(d) of the Mauritius Companies Act 2001 during the year ended 31 March 2022.

For and on behalf of

IQ EQ Corporate Services (Mauritius) Ltd
Secretary

Date:

Affinity Holdings Pvt. Ltd

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022 USD	2021 USD
ASSETS			
Non-current assets			
Investment in subsidiary companies	5	279,348,646	279,348,646
Financial asset at amortised cost	6	1,100,000	1,100,000
		280,448,646	280,448,646
Current assets			
Financial assets at amortised cost	6	2,307,173	2,234,834
Other receivables	7	2,260	2,260
Cash and cash equivalents	8	299,512	240
		2,608,945	2,237,334
Total assets		283,057,591	282,685,980
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	219,325,675	219,325,675
Retained earnings		20,233,158	16,485,094
Total equity		239,558,833	235,810,769
Non-current liabilities			
Redeemable preference shares	10	-	-
Borrowings	11	39,406,058	42,937,528
		39,406,058	42,937,528
Current liabilities			
Other payables	12	3,183,957	3,034,296
Current tax liability	13	70,078	64,722
Borrowings	11	838,665	838,665
		4,092,700	3,937,683
Total equity and liabilities		283,057,591	282,685,980

The financial statements have been approved by the board of directors on
and signed on its behalf by:

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Savinilorna Payandi - Pillay Ramen
Director

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Neernaysingh Madhour
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 USD	2021 USD
REVENUE			
Interest income		38,500	38,500
Other income		37,383	107,493
Dividend income		10,061,626	-
		<u>10,137,509</u>	<u>145,993</u>
EXPENSES			
Other expenses		-	515,229
Audit fees		4,715	10,120
Administration fees		2,600	5,550
Director fees		3,000	3,000
Licence		2,460	2,664
Bank charges		1,625	1,778
Accounting fees		3,400	1,700
Tax filing fees		2,875	1,638
Penalty fees		-	970
Disbursement		250	250
		<u>20,925</u>	<u>542,899</u>
Profit/(Loss) before interest expense		10,116,584	(396,906)
Interest expense		<u>(19,250)</u>	<u>(19,250)</u>
Profit/(Loss) before taxation		10,097,334	(416,156)
Taxation	13	<u>(124,178)</u>	<u>(74,869)</u>
Profit/(Loss) for the year		9,973,155	(491,025)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/((loss)for the year		<u>9,973,155</u>	<u>(491,025)</u>

Affinity Holdings Pvt. Ltd**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022**

	<u>Notes</u>	<u>Stated capital</u>	<u>Retained earnings</u>	<u>Total</u>
		USD	USD	USD
At 01 April 2020		219,325,675	16,976,119	236,301,794
Total comprehensive income for the year:				
- Loss for the year		<u>-</u>	<u>(491,025)</u>	<u>(491,025)</u>
At 31 March 2021		<u>219,325,675</u>	<u>16,485,094</u>	<u>235,810,769</u>
At 01 April 2021		219,325,675	16,485,094	235,810,769
Total comprehensive income for the year:				
- Profit for the year		-	9,973,155	9,973,155
- Dividends	14	<u>-</u>	<u>(6,225,091)</u>	<u>(6,225,091)</u>
At 31 March 2022		<u>219,325,675</u>	<u>20,233,158</u>	<u>239,558,833</u>

Affinity Holdings Pvt. Ltd

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	<u>2022</u>	<u>2021</u>
	USD	USD
Cash flows from operating activities		
Profit/(Loss) before taxation	10,097,334	(416,156)
<i>Adjustments for:</i>		
Dividend income	(10,061,626)	-
Expenses paid on behalf of the Company	-	(71,866)
Interest income	(38,500)	(38,500)
Interest expense	19,250	19,250
	16,458	(507,272)
<i>Changes in working capital:</i>		
Financial assets at amortised cost	(72,339)	287,152
Prepayment	-	172
Other payables	50,089	483,827
Cash generated from operating activities	(5,793)	263,879
Tax paid	-	(275,514)
Net cash used in operating activities	(5,793)	(11,635)
Cash flows from investing activity		
Dividend received	8,700,156	-
Net cash flows generated from investing activity	8,700,156	-
Cash flows from financing activities		
(Repayment of borrowing)/Proceed from borrowings	(2,170,000)	8,159
Dividend paid to shareholder	(6,225,091)	-
Net cash generated from/(used in) financing activities	(8,395,091)	8,159
Net movement in cash and cash equivalents	299,272	(3,476)
Cash and cash equivalents at beginning of the year	240	3,716
Cash and cash equivalents at end of the year	299,512	240

1. GENERAL INFORMATION

Affinity Holdings Pvt. Ltd (the "Company") was incorporated on 24 January 2008 as a private company limited by shares in the Republic of Mauritius. It holds a Global Business Licence. The Company's principal activity is to engage in investment holding activities.

The address of the Company's registered office is c/o IQ EQ Corporate Services (Mauritius) Ltd, Les Cascades Building, 33, Edith Cavell Street, Port Louis, 11324, Republic of Mauritius.

The financial statements will be submitted for consideration and approval at the forthcoming annual meeting of the shareholder of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Company in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as modified by the exemption from consolidation in the Mauritius Companies Act for companies holding a Global Business Licence and comply with the Mauritius Companies Act 2001. Therefore, the financial statements are separate financial statements of the Company only and do not include figures of the subsidiary companies of Aster DM Healthcare FZC and Dr. Moopens Healthcare Management Services W.LL as at 31 March 2022 and 2021. The financial statements are prepared under the historical cost convention. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

Going concern

During the year ended 31 March 2022, the Company's profit for the year was USD 9,973,155 (2021: loss of USD 491,025). As at that date, the Company's current liabilities exceeded its current assets by USD 1,483,755 (2021: USD 1,700,349) and it had retained earnings of USD 20,233,158 (2021: USD 16,485,094). However, the total assets of the Company exceeded its total liabilities by USD 239,558,833 (2021: USD 235,810,769). The Company meets its day-to-day working capital requirements through loans received from related parties. At the end of the reporting date, the loans received from related parties amounted to USD 40,244,723 (2021: USD 43,776,193).

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The directors are confident that with the increase in capital, expansion plan for future years, and based on the new marketing plans, the Company is likely to be profitable in the foreseeable future.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)***Amendments to published Standards effective in the reporting period*

Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. The amendments have no impact on the Company's financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. The amendments have no impact on the Company's financial statements.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period before the replacement of an existing interest rate benchmark with an alternative interest rate. The amendments have no impact on the Company's financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards relate to minor amendments to various standards to reflect the revised Conceptual Framework for Financial Reporting. The amendments have no impact on the Company's financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16) provides an option to apply a simplified accounting treatment to some lease modifications in the accounts of the lessee. The amendment has no impact on the Company's financial statements.

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) extends the temporary exemption to accounting periods beginning before January 1, 2023. The amendments have no impact on the Company's financial statements.

New standards, amendments and interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2021 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Annual Improvements 2018-2020

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)***New standards, amendments and interpretations issued but not yet effective (continued)*

Reference to the Conceptual Framework (Amendments to IFRS 3)

Amendments to IFRS 17

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(b) Foreign currencies*(i) Functional and presentation currency*

Items included in the financial statements are measured using United States Dollar ("USD"), the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in USD, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Revenue recognition

Revenue earned by the Company is recognised on the following basis:

- Dividend income - when shareholder's right to receive payment has been established.
- Interest income - on a time- proportion basis using the effective interest method.

(d) Investment in subsidiary companies

Investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of the individual investment.

The Company does not present consolidated financial statements, as it is a wholly owned subsidiary of Aster DM Healthcare Limited, a company incorporated in India. Consequently, the Company took advantage of the exemption from consolidation as modified by the Mauritian Companies Act 2001 for companies holding a Global Business Licence.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Financial assets**

The Company classifies its financial assets into the categories discussed below, depending on the purpose for which the asset was acquired.

Amortised cost

These types of financial assets are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for loans to related parties and receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve months expected credit loss along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company's financial assets measured at amortised cost comprise loan receivable and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents are short term, highly liquid investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

(f) Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or amortised cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value.

The Company's financial liabilities include other payables and borrowings.

Subsequent measurement

Subsequent to initial recognition, the Company classifies financial liabilities at 'amortised cost'.

(g) Derecognition

A financial instrument or a portion of a financial instrument will be derecognised and a gain or loss recognised when the Company's contractual rights expire, financial assets are transferred or financial liabilities are extinguished. On derecognition of a financial asset or liability, the difference between the consideration and the carrying amount on the settlement date is included in finance charges or fair value movements for the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) Derecognition (continued)**

Financial assets

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (i) The Company has transferred substantially all the risks and rewards of the asset; or
 - (ii) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(h) Stated capitalOrdinary share capital

Ordinary shares are classified as equity.

Redeemable preference shares

Redeemable preference shares are classified as equity if they are non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions from equity.

(i) Expenses recognition

Expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

(k) Current and deferred income tax***Current tax***

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

(l) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(m) Related parties

Related parties are individuals and companies where the individual or the company has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, including:

- concentration risk;
- liquidity risk;
- currency risk;
- credit risk;
- interest rate risk; and
- Covid -19 risk.

(a) Concentration risk

The Company's investment is concentrated in Middle East. The Company is, therefore, exposed to economic, political and social risks inherent to that region.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. 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 table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year USD	More than 1 year USD
<u>At 31 March 2022</u>		
Borrowings	838,665	39,406,058
Other payables	3,183,957	-
	<u>4,022,622</u>	<u>39,406,058</u>
 <u>At 31 March 2021</u>		
Borrowings	838,665	42,937,528
Other payables	3,034,296	-
	<u>3,872,961</u>	<u>42,937,528</u>

(c) Currency risk

The Company has its subsidiary companies incorporated in United Arab Emirates ("UAE") and Qatar and the shares are denominated in UAE Dirham and Qatari Riyals respectively. However, the Company is unlikely to be exposed to currency risk with respect to investment in subsidiary company as it is maintained at cost (adjusted for any impairment), unless there are material changes in the exchange rate vis-à-vis the USD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Currency risk (continued)

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets		Financial liabilities	
	2022	2021	2022	2021
	USD	USD	USD	USD
United States Dollar ("USD")	3,706,686	3,335,074	43,428,680	46,810,489

Investment in subsidiary companies amounting to USD 279,348,646 (2021: USD 279,348,646), prepayments amounting to USD 2,260 (2021: USD 2,260) and tax liability USD 70,078 (2021: USD 64,722) have been excluded from financial assets and financial liabilities respectively.

(d) Credit risk

Credit risk arises when a failure by counterparty to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

The Company's credit risk arises principally from cash and cash equivalents. The Company's policy is to maintain cash balances and short term deposits with a reputable banking institution and to monitor the placement of cash and deposit balances on an ongoing basis.

The Company's credit risk also arises from financial asset at amortised cost. The board does not see any risk in failing to recover those amounts since they are from related parties.

(e) Interest rate risk

The majority of the Company's financial assets and liabilities are fixed interest bearing and hence, the Company is not exposed to the risk of fluctuating interest rates. As a result, the Company is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

(f) Covid-19 risk

The Board of directors acknowledge the current outbreak of Coronavirus (Covid-19) and its potentially adverse economic impact on the country and markets in which the Company operates. The directors will pay close attention to the development of the Covid-19 outbreak and evaluate its impact on the financial position and operating results of the Company.

The Board of directors will continue to remain alert to the situation and monitor the performance of the Company. In the event that the financial markets and/or the overall economy are impacted for an extended period, the performance of the Company may be materially adversely affected.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**3.2 Capital risk management**

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to the shareholder.

The Company is financed by equity, redeemable preference shares and borrowings.

The debt-to-equity ratios at 31 March 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
	USD	USD
Total borrowings	40,244,723	43,776,193
Less: cash and cash equivalents	(299,512)	(240)
	<u>39,945,211</u>	<u>43,775,953</u>
Total equity	<u>239,558,833</u>	<u>235,810,769</u>
Debt-to-equity ratio	<u>0.173:1</u>	<u>0.186:1</u>

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of investment in subsidiary companies

The Company follows the guidance of IAS 36 on determining when an investment is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

In considering the value in use, the directors have taken into consideration the audited financial statements, management accounts and expected future results of the subsidiaries. The actual results could however, differ from these estimates.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical accounting estimates and assumptions (continued)

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rated. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each year.

Measurement of the expected credit loss ("ECL") allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of debtor segment and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

When using the simplified approach for measurement of expected credit loss for loans receivable, the application of a provision matrix requires significant assumptions and judgements, such as:

- Determining the appropriate groupings of receivables into categories of shared credit risk;
- Determining the period over which historical loss rates are obtained to develop estimates of expected future loss rates;
- Determining the historical loss rates;
- Considering macro-economic factors and adjust historical loss rates to reflect relevant future economic conditions; and
- Calculating the expected credit losses.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. INVESTMENT IN SUBSIDIARY COMPANIES	<u>2022</u>	<u>2021</u>
	USD	USD
<u>Unquoted:</u>		
At April 01 and at March 31,	<u>279,348,646</u>	<u>279,348,646</u>

(i) Details of the investment in subsidiary companies are as follows:

Name of company	Country of incorporation	Class of shares	% holding		Carrying amount	
			2022	2021	2022	2021
			2022	2021	USD	USD
Aster DM Healthcare FZC	UAE	Equity shares	99.98%	99.98%	<u>278,890,375</u>	<u>278,890,375</u>
Dr Moopens Healthcare Management Services W.L.L	Qatar	Equity shares	99.00%	99.00%	<u>458,271</u>	<u>458,271</u>

(ii) The investment in Aster DM Healthcare FZC is denominated in UAE Dirham while investment in Dr Moopens Healthcare Management Services W.L.L is denominated in Qatari Riyals.

(iii) The directors are of the opinion that the costs of the investments approximate their fair value and that there is no indication for impairment in the above investments for the year ended 31 March 2022.

(iv) Aster DM Healthcare FZC entered into an agreement with the Axis Bank Limited for a term loan facility of USD 295,000,000 on 17 March 2017. As a result, the Company entered into another Share Pledge Agreement with the Abu Dhabi Commercial Bank PJSC on 27 July 2017 and has pledged 522,337 shares (each of par value AED 1,000) in Aster DM Healthcare FZC.

(v) During the year ended 31 March 2019, Affinity Holdings Pvt. Ltd entered into a Trust Deed dated May 27, 2018, among Alfa Investments Limited ("Trustee Co"), Affinity Holdings Pvt. Ltd ("Beneficiary") and Mr Zuhdi Mohammad Ahmad Mohammad Sarhan ("shareholder") whereby the Trustee Co is 100% legally held by the shareholder.

6. FINANCIAL ASSETS AT AMORTISED COST	<u>2022</u>	<u>2021</u>
	USD	USD
Loan receivable from related party	1,100,000	1,100,000
Amount receivable from related party	2,154,280	2,120,441
Interest receivable from related party	152,893	114,393
	<u>3,407,173</u>	<u>3,334,834</u>
Analysed as follows:	<u>2022</u>	<u>2021</u>
	USD	USD
Non-current	1,100,000	1,100,000
Current	<u>2,307,173</u>	<u>2,234,834</u>
	<u>3,407,173</u>	<u>3,334,834</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

6. FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

- (i) The loan has been granted in 2 tranches of USD 550,000 each for a period of 24 months respectively, automatically extended for similar period. It bears interest at 3.5% per annum, is unsecured and is denominated in USD.
- (ii) The amount receivable from related party is interest free, unsecured, repayable on demand and denominated in USD.
- (iii) The directors have concluded that it would require undue costs and effort to determine the credit risk of these balances on their respective dates of initial recognition. These balances are also assessed to have credit risk other than loss. Accordingly the Company recognises lifetime ECL until they are derecognised. The identified impairment loss was immaterial.

7. OTHER RECEIVABLES

	2022	2021
	USD	USD
Prepayments	2,260	2,260

8. CASH AND CASH EQUIVALENTS

	2022	2021
	USD	USD
Cash at bank	299,512	240

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

9. STATED CAPITAL

	2022	2021
	USD	USD
<i>Issued and fully paid</i>		
1,000 Ordinary shares of USD 1 each	1,000	1,000
219,324,675 Redeemable Preference shares of USD 1 each	219,324,675	219,324,675
	219,325,675	219,325,675

The ordinary shares have been issued at USD 1 each.

10. REDEEMABLE PREFERENCE SHARES

	2022	2021
	USD	USD
At start and end of year	-	-

The redeemable preference shares have been issued at USD 1 each.

11. BORROWINGS

	2022	2021
	USD	USD
Loans from related parties		
At 31 March	40,244,723	43,776,193
Analysed as follows:		
Non-current	39,406,058	42,937,528
Current	838,665	838,665
	40,244,723	43,776,193

- (a) Loans from related parties amounting to USD 39,406,058 (2021: USD 42,937,528) are interest free, unsecured and repayable after 24 months as from date of disbursement with automatic extensions and a loan of USD 838,665 (2021: USD 838,665) received from subsidiary company bears interest at the rate of 3.5% per annum.
- (b) The loans are denominated in USD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

12. OTHER PAYABLES	2022	2021
	USD	USD
Amount payable to related party	3,082,649	2,961,528
Interest payable	76,314	57,064
Accruals	24,994	15,704
	3,183,957	3,034,296

- (i) The carrying amounts of other payables approximate their fair values.
(ii) Other payables are denominated in USD.

13. TAXATION

Following the Finance Act 2018, all companies categorised as Category 1 Global Business Licence will be now licensed as Global Business Licence. Effective from January 2019, deemed Foreign Tax Credit regime available to GBC 1 companies will be abolished. Instead, the FSC may issue a Global Business Licence (“GBL”) if the company satisfies certain conditions. The Company will be deemed to hold a GBL as from 01 July 2021 under section 96A(1)(b) of the FSA.

As from 01 July 2021, the Company will not be allowed to compute its foreign tax according to a presumed amount of 80% of the Mauritian tax of the relevant foreign sourced income. Furthermore, transactions with GBL corporations and non-residents will not necessarily be considered to be foreign sourced income. Effective as from January 01, 2019, the Company may apply a partial exemption on some of its income including but not limited to foreign dividend income and interest income: the partial exemption is computed at 80% of the relevant foreign sourced income. The partial exemption is not mandatory: the Company may apply the credit system if it so wishes.

(a) Statement of financial position	2022	2021
	USD	USD
At start of the year	64,722	337,234
Current tax charge for the year	5,356	3,002
Paid during the year	-	(275,514)
As at 31 March	70,078	64,722

(b) Statement of profit or loss	2022	2021
	USD	USD
Current tax on the adjusted result for the year	5,356	3,002
Other taxation	118,822	71,867
	124,178	74,869

The tax on the Company's result before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2022	2021
	USD	USD
Profit /(Loss) before taxation	10,097,334	(416,156)
Tax calculated at 15% (2021: 15%)	1,514,600	(62,423)
Expenses not deductible for tax purpose		77,430
Deemed tax credit	-	(12,005)
Other deductible items	(1,509,244)	-
Other taxation	-	71,867
Tax charge	5,356	74,869