

**Independent Auditors' Report
To the Members of Aster DM Healthcare (Trivandrum)Private**

Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aster DM Healthcare (Trivandrum) Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under the applicable laws and regulations.

**Aster DM Healthcare (Trivandrum) Private Limited
Independent Auditors' Report (continued)**

Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 and Board of Directors are 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.

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

Auditor's Responsibilities 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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Aster DM Healthcare (Trivandrum) Private Limited
Independent Auditors' Report (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

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.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

Aster DM Healthcare (Trivandrum) Private Limited

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at 31 March 2020 which would impact its financial position.
 - ii. The Company does not have any long-term contracts including derivative contracts for which provision for material foreseeable losses is required under the applicable law or accounting standards.
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, no remuneration has been paid by the company to its directors during the current year. Hence, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Associates LLP
Chartered Accountants
Firm's Registration No.: 116231W/ W-100024

Baby Paul
Partner
Membership No: 218255
Unique Document Identification Number: 20218255AAAAAX6651

Kochi
10 July 2020

Aster DM Healthcare (Trivandrum) Private Limited

Annexure A to the Independent Auditors' Report on the Ind AS financial statements of Aster DM Healthcare (Trivandrum) Private Limited for the year ended 31 March 2020

Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not hold any physical inventories. Thus paragraph 3(ii) of the said order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus paragraph 3 (iii) (a) to (c) of the Order is not applicable.
- (iv) The Company has not made any investments during the year. Further, there were no loans, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable.
- (v) The Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder and accordingly paragraph 3(v) of the said order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for any activities of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us and basis of examination of records, the Company did not have any dues on account of provident fund, employees' state insurance, goods and service tax, duty of customs and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax and any other material statutory dues were in arrears, as at 31 March 2020, for a period of more than six months from the date they became payable.

Aster DM Healthcare (Trivandrum) Private Limited

Annexure A to the Independent Auditors' Report on the Ind AS financial statements of Aster DM Healthcare (Trivandrum) Private Limited for the year ended 31 March 2020 (continued)

- (viii) According to the information and explanations given to us, the Company did not have any loans or borrowings from government or debenture holders or banks during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable
- (x) According to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on the examination of the records of the company, the Company has not paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for B S R & Associates LLP

Chartered Accountants

Firm's Registration No.: 116231W/ W-100024

Baby Paul

Partner

Membership No: 218255

Unique Document Identification Number: 20218255AAAAAX6651

Kochi

10 July 2020

Aster DM Healthcare (Trivandrum) Private Limited

Annexure B to the Independent Auditors' Report on the Ind AS financial statements of Aster DM Healthcare (Trivandrum) Private Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph I A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Aster DM Healthcare (Trivandrum) Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

Aster DM Healthcare (Trivandrum) Private Limited

Annexure B to the Independent Auditors' Report on the Ind AS financial statements of Aster DM Healthcare (Trivandrum) Private Limited for the year ended 31 March 2020 *(continued)*

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial control with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 or any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for B S R & Associates LLP

Chartered Accountants

Firm's Registration No.: 116231W/ W-100024

Baby Paul

Partner

Membership No: 218255

Unique Document Identification Number: 20218255AAAAAX6651

Kochi

10 July 2020

Aster DM Healthcare (Trivandrum) Private Limited
Balance sheet as at 31 March 2020

(All amounts in Indian rupees thousands)

		As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	4	662,493.41	666,388.77
Intangible assets	4	-	-
Capital work-in-progress	4	254,651.91	251,618.69
Financial assets			
Loans	5	200.00	200.00
Income tax assets	17	208.96	338.24
Total non-current assets		917,554.28	918,545.70
Current assets			
Financial assets			
Trade receivables	6	-	-
Cash and cash equivalents	7	20.89	605.07
Other bank balances	8	1,583.37	1,479.15
Other financial assets	9	3,451.32	2,996.93
Total current assets		5,055.58	5,081.15
Total assets		922,609.86	923,626.85
Equity and liabilities			
Equity			
Equity share capital	10	80,100.00	80,100.00
Other equity		104,713.64	(149,582.61)
Total equity		184,813.64	(69,482.61)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	11	734,430.06	-
Total non-current liabilities		734,430.06	-
Current liabilities			
Financial liabilities			
Borrowings	11	3,078.74	992,906.05
Other financial liabilities	12	191.42	134.99
Other current liabilities	13	96.00	68.42
Total current liabilities		3,366.16	993,109.46
Total equity and liabilities		922,609.86	923,626.85

Significant accounting policies

The accompanying notes form an integral part of the balance sheet
As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W / W-100024

for and on behalf of the Board of Directors of

Aster DM Healthcare (Trivandrum) Private Limited

CIN: U85110KL2010PTC25573

Baby Paul

Partner

Membership No.: 218255

Kochi

10 July 2020

T J Wilson

Director

DIN: 02135108

Dubai

10 July 2020

Sreenath Reddy

Director

DIN: 00946877

Dubai

10 July 2020

Puja Aggarwal

Company Secretary

Membership No : ACS 49310

Bangalore

10 July 2020

Aster DM Healthcare (Trivandrum) Private Limited
Statement of profit and loss for the year ended 31 March 2020
(All amounts in Indian rupees thousands)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Other income	14	555.87	139.88
Total income		555.87	139.88
Expenses			
Depreciation	15	2,778.55	3,145.27
Other expenses	16	1,524.07	312.89
Total expenses		4,302.62	3,458.16
Loss before tax		(3,746.75)	(3,318.28)
Tax expense	17		
Current tax		-	-
Deferred tax		-	-
Loss for the year		(3,746.75)	(3,318.28)
Other comprehensive income/ (loss)		-	-
Total comprehensive loss for the year		(3,746.75)	(3,318.28)
Loss per share (equity share of face value of Rs.10 each)	19		
Basic and diluted (INR)		(0.47)	(0.41)

Significant accounting policies

The accompanying notes form an integral part of the statement of profit and loss

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W / W-100024

for and on behalf of the Board of Directors of

Aster DM Healthcare (Trivandrum) Private Limited

CIN: U85110KL2010PTC25573

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Partner

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Puja Aggarwal

Company Secretary

Membership No : ACS 49310

Bangalore

10 July 2020

Aster DM Healthcare (Trivandrum) Private Limited
Cash flow statement for the year ended 31 March 2020
(All amounts in Indian rupees thousands)

	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
Loss before tax	(3,746.75)	(3,318.28)
<i>Adjustments for:</i>		
Interest income on bank deposits	(107.27)	(95.63)
Loss on write off of asset	1,116.81	-
Depreciation	2,778.55	3,145.27
Operating profit before working capital changes	41.34	(268.64)
(Increase)/ decrease in other financial assets	(557.82)	(2,998.69)
Decrease in liabilities	84.01	(158.08)
Cash generated from operating activities before taxes	(432.47)	(3,425.41)
Income tax refund /(paid)	129.28	371.92
Net cash generated from operating activities (A)	(303.19)	(3,053.49)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,033.22)	(4,774.59)
Proceeds from sale of property, plant and equipment	-	2,580.98
Interest received	106.48	110.16
Net cash used in investing activities (B)	(2,926.74)	(2,083.45)
Cash flows from financing activities		
Long term secured loan repaid during the year	-	(618,909.71)
Short term loan from holding company availed	2,645.75	708,329.25
Interest paid including borrowing cost capitalised	-	(83,695.96)
Net cash generated from financing activities (C)	2,645.75	5,723.58
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(584.18)	586.64
Cash and cash equivalents at the beginning of the year	605.07	18.43
Cash and cash equivalents at the end of the year	20.89	605.07

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

Particulars	As at 1 April 2019	Cash flows	Non cash changes		As at 31 March 2020
			Acquisition	Foreign exchange	
Non-current borrowings (refer note 11)	-	992,473.06	-	-	992,473.05
Current borrowings (refer note 11)	992,906.05	(989,827.31)	-	-	3,078.74
Total	992,906.05	2,645.75	-	-	995,551.79

Changes in liabilities arising from financing activities for the year ended 31 March 2019

Particulars	As at 1 April 2018	Cash flows	Non cash changes		As at 31 March 2019
			Acquisition	Foreign exchange	
Non-current borrowings (refer note 11)	618,909.71	(618,909.71)	-	-	-
Current borrowings (refer note 11)	284,576.80	708,329.25	-	-	992,906.05
Total	903,486.51	89,419.54	-	-	992,906.05

(refer note 7 - Cash and cash equivalents)

The notes referred to above are an integral part of the cash flow statement

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W / W-100024

for and on behalf of the Board of Directors of

Aster DM Healthcare (Trivandrum) Private Limited

CIN: U85110KL2010PTC25573

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10 July 2020

Puja Aggarwal

Company Secretary

Membership No : ACS 49310

Bangalore

10 July 2020

Aster DM Healthcare (Trivandrum) Private Limited
Statement of changes in equity for the period ended 31 March 2020
(All amounts in Indian rupees thousands)

A. Equity share capital

	Equity shares (in thousands)	Amount
Equity shares of INR 10 each - issued, subscribed and fully paid up		
As at 1 April 2018	8,010.00	80,100.00
Changes in equity share capital during the year	-	-
As at 31 March 2019	8,010.00	80,100.00
Changes in equity share capital during the year	-	-
As at 31 March 2020	8,010.00	80,100.00

B Other equity

Particulars	Reserves and Surplus		Items of other comprehensive income	Total other equity attributable to equity holders of the Company
	Retained earnings	Other equity		
Balance as at 1 April 2018	(146,264.33)	-	-	(146,264.33)
Total comprehensive income for the year ended 31 March 2019				
Loss for the year	(3,318.28)	-	-	(3,318.28)
Total comprehensive income	(3,318.28)	-	-	(3,318.28)
Balance as at 31 March 2019	(149,582.61)	-	-	(149,582.61)
Balance as at 1 April 2019	(149,582.61)	-	-	(149,582.61)
Total comprehensive income for the year ended 31 March 2020				
Loss for the year	(3,746.75)	-	-	(3,746.75)
Loan from holding company -equity component (refer note 11)	-	258,042.99	-	258,042.99
Total comprehensive income	(3,746.75)	258,042.99	-	254,296.24
Balance as at 31 March 2020	(153,329.36)	258,042.99	-	104,713.63

The notes referred to above are an integral part of statement of changes in equity

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W / W-100024

for and on behalf of the Board of Directors of

Aster DM Healthcare (Trivandrum) Private Limited

CIN: U85110KL2010PTC25573

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10 July 2020

Puja Aggarwal

Company Secretary

Membership No : ACS 49310

Bangalore

10 July 2020

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements

(All amounts in Indian rupees thousands)

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 are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act'), as amended and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on 10 July 2020.

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, except share data, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis.

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 on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

There are no significant judgements made in applying accounting policies that have the most material effects on the amounts recognized in the financial statements

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:

Note 18 – recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 23 – Impairment of financial assets.

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 board of directors.

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

2. Basis of preparation (continued)

E. 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 board of directors.

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

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:

- Note 23: financial instruments.

F. 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.

G. Recent accounting pronouncements

i) 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 2020.

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

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 labor, 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.

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

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are shown under long-term loans and advances. 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

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

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. Freehold land is not depreciated

Class of assets	Years
Medical equipments *	10
Motor Vehicles *	5
Computers	3
Furniture and fixtures *	5
Office equipments*	5

* 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.

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

3. Significant accounting policies (continued)

3.2 Provisions (other than for 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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.

3.3 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 plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in 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 and is not designated as at FVTPL:

- 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.

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.

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

3. Significant accounting policies (continued)

3.3 Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial Asset (continued)

Financial assets: Business model assessment (continued)

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio 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.
- 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).

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

3. Significant accounting policies (continued)

3.3 Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial Asset (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 profit or 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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or 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 profit or 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 at 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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or 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 profit or loss.

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

3. Significant accounting policies (continued)

3.3 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.

3.4 Impairment

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses 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.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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 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.

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

3. Significant accounting policies (continued)

3.4 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.

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).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

3.5 Recognition of interest income or interest expense

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 profit or 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.

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

3. Significant accounting policies (continued)

3.6 Income tax (continued)

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 amounts 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 used. 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.

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 Loss per share

The basic loss per share is computed by dividing the net loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

3.8 Cash-flow statement

Cash flows are reported using the indirect method, whereby net 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.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and financial institutions. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

4 Property, plant and equipment

Particulars	Freehold land	Leasehold improvements	Computers	Furniture and fixtures	Medical equipments	Office equipments	Motor vehicles	Total (A)	Capital work-in-progress	Total (B)
Gross carrying value										
Balance at 1 April 2018	658,539.39	-	550.50	669.68	33,398.02	3,949.91	347.27	697,454.77	163,148.14	860,602.91
Additions {refer note (a)}	-	-	-	-	-	-	-	-	88,470.55	88,470.55
Deletions	-	-	-	-	(6,200.00)	-	-	(6,200.00)	-	(6,200.00)
Balance at 31 March 2019	658,539.39	-	550.50	669.68	27,198.02	3,949.91	347.27	691,254.77	251,618.69	942,873.46
Balance at 1 April 2019	658,539.39	-	550.50	669.68	27,198.02	3,949.91	347.27	691,254.77	251,618.69	942,873.46
Additions {refer note (a)}	-	-	-	-	-	-	-	-	3,033.22	3,033.22
Deletions	-	-	(25.15)	(88.12)	(6,943.38)	(1,192.21)	(23.76)	(8,272.62)	-	(8,272.62)
Balance at 31 March 2020	658,539.39	-	525.35	581.56	20,254.64	2,757.70	323.51	682,982.15	254,651.91	937,634.06
Accumulated depreciation										
Balance at 1 April 2018	-	-	387.10	669.68	19,987.31	3,948.39	347.27	25,339.75	-	25,339.75
Depreciation	-	-	62.99	-	3,080.76	1.52	-	3,145.27	-	3,145.27
Deletions	-	-	-	-	(3,619.02)	-	-	(3,619.02)	-	(3,619.02)
Balance at 31 March 2019	-	-	450.09	669.68	19,449.05	3,949.91	347.27	24,866.00	-	24,866.00
Balance at 1 April 2019	-	-	450.09	669.68	19,449.05	3,949.91	347.27	24,866.00	-	24,866.00
Depreciation	-	-	62.99	-	2,715.56	-	-	2,778.55	-	2,778.55
Deletions	-	-	(25.15)	(88.12)	(5,826.57)	(1,192.21)	(23.76)	(7,155.81)	-	(7,155.81)
Balance at 31 March 2020	-	-	487.93	581.56	16,338.04	2,757.70	323.51	20,488.74	-	20,488.74
Net carrying value as at 31 March 2020	658,539.39	-	37.42	-	3,916.60	-	-	662,493.41	254,651.91	917,145.32
Net carrying value as at 31 March 2019	658,539.39	-	100.41	-	7,748.97	-	-	666,388.77	251,618.69	918,007.46

a) Capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 - Borrowing cost

Aster DM Healthcare (Trivandrum) Private Limited**Notes to the financial statements (continued)**

(All amounts in Indian rupees thousands, except share data and where otherwise stated)

Intangibles assets

	Trademarks	Total
Gross carrying value		
Balance at 1 April 2018	7.50	7.50
Additions	-	-
Deletions	-	-
Balance at 31 March 2019	7.50	7.50
Balance at 1 April 2019	7.50	7.50
Additions	-	-
Deletions	-	-
Balance at 31 March 2020	7.50	7.50
Amortisation expense		
Balance at 1 April 2018	7.50	7.50
Amortisation	-	-
Balance at 31 March 2019	7.50	7.50
Balance at 1 April 2019	7.50	7.50
Amortisation	-	-
Balance at 31 March 2020	7.50	7.50
Net carrying value as at 31 March 2020	-	-
Net carrying value as at 31 March 2019	-	-

Aster DM Healthcare (Trivandrum) Private Limited**Notes to the financial statements (continued)**

(All amounts in Indian rupees thousands)

	As at 31 March 2020	As at 31 March 2019
5 Loans		
Non-current		
<i>Unsecured, considered good</i>		
Other deposits	200.00	200.00
	200.00	200.00
6 Trade receivables		
Current		
Unsecured		
considered good	-	-
considered doubtful	754.47	754.47
	754.47	754.47
<i>Less: Allowances for credit losses</i>	(754.47)	(754.47)
	-	-
7 Cash and cash equivalents		
Cash on hand	0.14	3.79
Balance with banks		
- in current accounts	20.75	601.28
	20.89	605.07
8 Other bank balances		
Balance in banks for margin money	1,583.37	1,479.15
	1,583.37	1,479.15
9 Other financial assets		
Current		
<i>Unsecured, considered good</i>		
Interest accrued on fixed deposits	107.02	106.23
Unbilled lease income	453.60	-
Other receivables*	2,890.70	2,890.70
	3,451.32	2,996.93

*Other receivables includes receivables from M/S Emed Human Resources India Private Limited for sale of property, plant and equipment amounting to Rs. 2,890.70 (previous year: Rs. 2,890.70).

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

10 Share capital	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount
Authorised				
Equity shares	40,100.00	401,000.00	40,100.00	401,000.00
	40,100.00	401,000.00	40,100.00	401,000.00
Equity share capital				
Issued, subscribed and paid-up				
Equity shares *	8,010.00	80,100.00	8,010.00	80,100.00
	8,010.00	80,100.00	8,010.00	80,100.00
Reconciliation of shares outstanding at the beginning and at the end of the reporting year				
<i>Equity shares of Rs.10 each fully paid-up</i>				
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

*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.

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.

(a) Shares held by holding company

	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount
<i>Equity shares of Rs. 10 each fully paid-up held by</i>				
Aster DM Healthcare Limited, India, the holding company and its nominees	8,010.00	80,100.00	8,010.00	80,100.00

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in thousands)	%	Number of shares (in thousands)	%
<i>Equity shares of Rs. 10 each fully paid-up held by</i>				
Aster DM Healthcare Limited, India, the holding company and its nominees	8,010.00	100%	8,010.00	100%

(c) Details of buyback, bonus shares, issue for consideration other than for cash for past 5 years

The Company has not allotted any fully paid-up equity shares by way of bonus shares nor has bought back any class of equity shares nor has there been any issue for consideration other than for cash during the period of five years immediately preceding the balance sheet date.

Aster DM Healthcare (Trivandrum) Private Limited**Notes to the financial statements (continued)**

(All amounts in Indian rupees thousands)

	As at 31 March 2020	As at 31 March 2019
11 Borrowings		
Non-current		
Loan from holding company-Unsecured*	734,430.06	-
	<u>734,430.06</u>	<u>-</u>
Current		
Loan from holding company-Unsecured*	3,078.74	992,906.05
	<u>3,078.74</u>	<u>992,906.05</u>
Total borrowings	<u><u>737,508.80</u></u>	<u><u>992,906.05</u></u>

*The Company have converted the existing demand loan from the holding company amounting to Rs. 992,473.05, 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)

12 Other financial liabilities**Current**

Dues to others

191.42	134.99
<u>191.42</u>	<u>134.99</u>

13 Other liabilities**Current**

Statutory dues payables

96.00	68.42
<u>96.00</u>	<u>68.42</u>

Aster DM Healthcare (Trivandrum) Private Limited**Notes to the financial statements (continued)**

(All amounts in Indian rupees thousands)

	For the year ended 31 March 2020	For the year ended 31 March 2019
14 Other income		
Interest income on bank deposits	107.27	95.63
Other non-operating income	28.60	44.25
Income on lease of asset*	420.00	-
	555.87	139.88
<i>*Refer note 22</i>		
15 Depreciation		
Depreciation on property, plant and equipment	2,778.55	3,145.27
	2,778.55	3,145.27
16 Other expenses		
Rates and taxes	20.31	38.59
Legal, professional and other consultancy	358.71	260.92
Loss on write off of asset	1,116.81	-
Miscellaneous expenses	28.24	13.38
	1,524.07	312.89

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

	As at 31 March 2020	As at 31 March 2019
17 A. Income taxes		
Income tax assets/(liability)		
Income tax assets	208.96	338.24
Current income tax liabilities	-	-
Net income tax assets at the end	208.96	338.24
(i) Tax expense recognised in statement of profit and loss		
	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	-	-
	-	-
(ii) Reconciliation of effective tax rate		
	Year ended 31 March 2020	Year ended 31 March 2019
Loss before income taxes	(3,746.75)	(3,318.28)
Enacted tax rates in india	27.82%	27.82%
Tax asset	(1,042.35)	(923.15)
Un-recognised deferred tax assets	1,042.35	923.15
Income tax expense	-	-
B. Recognised deferred tax assets and (liabilities)		
	Year ended 31 March 2020	As at 31 March 2019
(i) Deferred tax assets/(liabilities)		
Deferred tax asset	-	-
Deferred tax liabilities	-	-
Total deferred tax	-	-

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

	31 March 2020		31 March 2019	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Tax losses (business loss)	87,359.95	24,303.54	86,391.75	24,034.18
Tax losses (unabsorbed depreciation)	44,898.49	12,490.76	42,420.65	11,801.42
	132,258.44	36,794.30	128,812.40	35,835.60

(iii) Tax losses carried forward

	As at 31 March 2020	Expiry Date	As at 31 March 2019	Expiry Date
Brought forward losses - allowed to carry forward for specified period	87,359.95	Various dates	86,391.75	Various dates
Unabsorbed depreciation- allowed to carry forward for indefinite period	44,898.49		42,420.65	
	132,258.44		128,812.40	

Aster DM Healthcare (Trivandrum) Private Limited**Notes to the financial statements (continued)**

(All amounts in Indian rupees thousands)

18 Capital commitment

Particulars	As at 31 March 2020	As at 31 March 2019
Commitments		
Capital commitments	50,491.67	50,491.67

19 Loss per share

The calculation of 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) Loss attributable to equity share holders basic

Particulars	As at 31 March 2020	Year ended 31 March 2019
Loss for the year attributable to equity share holders	(3,746.75)	(3,318.28)

ii) Weighted average number of equity shares

Particulars	As at 31 March 2020	Year ended 31 March 2019
Opening balance (number of shares in thousands)	8,010.00	8,010.00
Weighted average number of equity shares of Rs. 10 each for the year (number of shares in thousands)	8,010.00	8,010.00
Loss per share, basic and diluted (INR)	(0.47)	(0.41)

20 Auditors' remuneration (included under legal and professional charges, net of GST)

Particulars	As at 31 March 2020	Year ended 31 March 2019
Statutory audit	175.00	150.00
Total	175.00	150.00

21 Segmental reporting

The Company is engaged in the business of rendering health care services, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Hence, There are no separate reportable segments, required by the Ind AS 108 on "Operating segment".

Aster DM Healthcare (Trivandrum) Private Limited**Notes to the financial statements (continued)**

(All amounts in Indian rupees thousands)

22 Related parties**A. Related party relationships**

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

I Enterprises where control exist

(a) Holding company	Aster DM Healthcare Limited, India
(b) Fellow subsidiary	EMED Human Resources India Private Limited (with effect from 31 March 2020)
(c) Key managerial personnel and others	
Mr.Sreenath Reddy	Director
Mr. T J Wilson	Director
Puja Aggarwal	Company Secretary
Dr. A R Salim	Independent Director
M. Salahuddin	Independent Director
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 2020.

Sl.No	Nature of transaction	As at 31 March 2020	Year ended 31 March 2019
1	Aster DM Healthcare Limited		
	Short term borrowings availed	238.00	704,334.63
	Expenses incurred by holding company	3,078.74	806.03
	Short term borrowings repaid	671.00	551.48
	Rental income*	495.00	-
	Guarantee commission paid	-	3,740.07

*During the year the Company entered into an agreement with Aster DM Healthcare Limited for use of a medical equipment for yearly rent of Rs. 420.00 The agreement shall remain in effect for 24 months.

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

Sl.No	Particulars	As at 31 March 2020	As at 31 March 2019
1	Aster DM Healthcare Limited		
	Other current financial liabilities	-	(992,906.05)
	Long term borrowings	(734,430.06)	-
2	EMED Human Resources India Private Limited (with effect from 31 March 2020)		
	Other receivables	2,890.70	2,890.70

Aster DM Healthcare (Trivandrum) Private Limited

Notes to the financial statements (continued)

(All amounts in Indian rupees thousands)

23 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 2020

Particulars	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets								
Financial assets not measured at fair value*								
Loans	5	200.00	-	200.00	-	-	-	-
Trade receivables	6	-	-	-	-	-	-	-
Cash and cash equivalents	7	20.89	-	20.89	-	-	-	-
Other bank balances	8	1,583.37	-	1,583.37	-	-	-	-
Other financial assets	9	3,451.32	-	3,451.32	-	-	-	-
Total		5,255.58	-	5,255.58	-	-	-	-
Liabilities								
Financial liabilities not measured at fair value*								
Borrowings	11	-	737,508.80	737,508.80	-	-	-	-
Other financial liabilities	12	-	191.42	191.42	-	-	-	-
Total		-	737,700.22	737,700.22	-	-	-	-

As at 31 March 2019

Particulars	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets								
Financial assets not measured at fair value*								
Loans	5	200.00	-	200.00	-	-	-	-
Trade receivables	6	-	-	-	-	-	-	-
Cash and cash equivalents	7	605.07	-	605.07	-	-	-	-
Other bank balances	8	1,479.15	-	1,479.15	-	-	-	-
Other financial assets	9	2,996.93	-	2,996.93	-	-	-	-
Total		5,281.15	-	5,281.15	-	-	-	-
Liabilities								
Financial liabilities not measured at fair value*								
Borrowings	11	-	992,906.05	992,906.05	-	-	-	-
Other financial liabilities	12	-	134.99	134.99	-	-	-	-
Total		-	993,041.04	993,041.04	-	-	-	-

*The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, borrowings etc, because their carrying amounts are a reasonable approximation of fair value.

Aster DM Healthcare (Trivandrum) Private Limited**Notes to the financial statements (continued)**

(All amounts in Indian rupees thousands)

23 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; 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 obligation 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 Rs.754.47 (31 March 2019: Rs 754.47). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
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 2020 and 31 March 2019. 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 rating 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. 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 2020:

Particulars	Payable with in 1 year	More than 1 year	Total
Borrowings	3,078.74	734,430.06	737,508.80
Other financial liabilities	191.42	-	191.42

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2019:

Particulars	Payable with in 1 year	More than 1 year	Total
Borrowings	992,906.05	-	992,906.05
Other financial liabilities	134.99	-	134.99

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 Exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Financial liabilities (bank borrowings)	As at 31 March 2020	As at 31 March 2019
Variable rate long term borrowings including current maturities	734,430.06	-

Aster DM Healthcare (Trivandrum) Private Limited**Notes to the financial statements (continued)**

(All amounts in Indian rupees thousands)

23 Financial instruments - Fair values and risk management (continued)**Interest rate risk exposure (continued)****Sensitivity**

Particulars	Impact on loss		Impact on equity, net of tax	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
1% increase in MCLR rate	(7,344.30)	-	(7,344.30)	-
1% decrease in MCLR rate	7,344.30	-	7,344.30	-

The interest rate sensitivity is based on the closing balance of secured term loans from banks

24 Derivatives and foreign currency exposures

The Company does not have foreign currency receivable / payable as on the balance sheet date. Further, the company did not import any goods during the year and did not have any foreign currency expense during the year.

25 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 2020 and 31 March 2019 was as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the equity shareholders of the Company	184,813.64	(69,482.61)
As a percentage of total capital	20%	-8%
Short-term borrowings	3,078.74	992,906.05
Long-term borrowings	734,430.06	-
Total borrowings	737,508.80	992,906.05
As a percentage of total capital	80%	108%
Total capital (equity and borrowings)	922,322.44	923,423.44

26 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 2020.

27 Previous year figures have been regrouped /reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W / W-100024

for and on behalf of the Board of Directors of

Aster DM Healthcare (Trivandrum) Private Limited

CIN: U85110KL2010PTC025573

Baby Paul

Partner

Membership No.: 218255

Kochi

10 July 2020

T J Wilson

Director

DIN: 02135108

Dubai

10 July 2020

Sreenath Reddy

Director

DIN: 00946877

Dubai

10 July 2020

Puja Aggarwal

Company Secretary

Membership No : ACS 49310

Bangalore

10 July 2020