Affinity Holdings Pvt. Ltd

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024	2023
		USD	USD
ASSETS			
Non-current assets			
Investment in subsidiary companies	5	**-**	27,93,48,646
Financial asset at amortised cost	6	**2,78,122**	11,00,000
		2,78,122	28,04,48,646
Current assets			
Investment in subsidiary companies	5	**27,88,90,375**	-
Financial assets at amortised cost	6	**1,45,79,842**	24,14,980
Other receivables	7	**2,225**	2,260
Cash and cash equivalents	8	**2,63,424**	35,709
		29,37,35,866	24,52,949
Total assets		**29,40,13,988**	28,29,01,595
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	**21,93,25,675**	21,93,25,675
Retained earnings		**2,61,20,695**	2,28,17,890
Total equity		**24,54,46,370**	24,21,43,565
Non-current liabilities			
Borrowings	10	**-**	3,66,49,060
		-	3,66,49,060
Current liabilities			
Other payables	11	**1,37,80,441**	40,17,796
Taxation	12	**59,117**	91,174
Borrowings	10	**3,47,28,060**	-
		4,85,67,618	41,08,970
Total equity and liabilities		**29,40,13,988**	28,29,01,595

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

…………………….................................	……………………………
Savinilorna Payandi - Pillay Ramen	**Neernaysingh Madhour**
Director	Director

The notes on pages 11 to 29 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

Affinity Holdings Pvt. Ltd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		USD	USD
REVENUE			
Interest income		**-**	38,500
Profit on disposal of investment		**1,16,67,473**	-
Other income		**41,177**	11,031
Dividend income		**13,69,735**	35,29,533
		1,30,78,385	35,79,064
EXPENSES			
Other expenses		**62,80,939**	4,38,617
Audit fees		**5,200**	4,830
Administration fees		**32,950**	3,020
Director fees		**3,500**	3,000
Licence		**2,460**	2,490
Bank charges		**11,113**	1,874
Accounting fees		**4,000**	3,100
Tax filing fees		**4,853**	1,208
Legal and professional fees		**3,300**	-
Travelling fees		**19,631**	-
Penalty fees		**-**	2,041
Consultancy fees paid		**15,96,215**	-
Disbursement		**250**	250
		79,64,411	4,60,430
Profit before interest expense		**51,13,974**	31,18,634
Interest expense		-	-
Profit before taxation		**51,13,974**	31,18,634
Taxation	12	**(18,11,169)**	(2,01,612)
Profit for the year		**33,02,805**	29,17,022
Other comprehensive income		-	-
Total comprehensive income for the year		**33,02,805**	29,17,022

The notes on pages 11 to 29 form an integral part of these financial statements.

Independent auditor's report on pages 4 to 6.

Affinity Holdings Pvt. Ltd

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Stated capital	**Retained earnings**	**Total**
	USD	**USD**	**USD**
At 01 April 2022	21,93,25,675	1,99,00,868	23,92,26,543
Total comprehensive income for the year:			
- Profit for the year		29,17,022	29,17,022
- Dividends	-	-	-
At 31 March 2022	21,93,25,675	2,28,17,890	24,21,43,565
At 01 April 2023	**21,93,25,675**	**2,28,17,890**	**24,21,43,565**
Total comprehensive income for the year:			
- Profit for the year	**-**	**33,02,805**	**33,02,805**
At 31 March 2024	**21,93,25,675**	**2,61,20,695**	**24,54,46,370**

The notes on pages 11 to 29 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	USD	USD
Cash flows from operating activities		
Profit before taxation	**51,13,974**	31,18,634
Adjustments for:		
Dividend income	**(13,69,735)**	(35,29,533)
Expenses paid on behalf of the Company	**-**	(76,079)
Interest income	**-**	(38,500)
Profit on disposal of investment	**(1,16,67,473)**	-
	(79,23,234)	(5,25,478)
Changes in working capital:		
Financial assets at amortised cost	**(1,13,42,984)**	(1,07,807)
Other Receivable	**35**	-
Other payables	**97,62,646**	8,33,839
Cash generated from /(used in) operating activities	**(95,03,537)**	2,00,554
Tax paid	**(18,43,226)**	(3,98,227)
Net cash used in operating activities	**(1,13,46,763)**	(1,97,673)
Cash flows from investing activity		
Dividend received	**13,69,735**	35,29,533
Net cash generated from investing activity	**13,69,735**	35,29,533
Cash flows from financing activities		
Repayment of borrowing	**(19,21,000)**	(35,95,663)
Sale of Investments	**1,21,25,744**	-
Dividend paid to shareholder	-	-
Net cash used in financing activities	**1,02,04,744**	(35,95,663)
Net movement in cash and cash equivalents	**2,27,716**	(2,63,803)
Cash and cash equivalents at beginning of the year	**35,708**	2,99,512
Cash and cash equivalents at end of the year	**2,63,424**	35,708

The notes on pages 11 to 29 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

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 per the provision of 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 2023 and 2022. The financial statements are prepared under the historical cost convention except for financial assets and financial liabilities which are measured at fair value or at amortised cost. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

Going concern

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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) *Application of new and revised International Financial Reporting Standards ("IFRS")*

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are effective for annual periods beginning on or after 01 April 2022.

- Amendments to IAS 16 Property, Plant and Equipment- Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets– Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Accounting Standards 2018-2020
- Amendments to IFRS 3 Business Combinations- Reference to the Conceptual Framework

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 April 2022.

<u>Amendments to IAS 16 Property, Plant and Equipment- Proceeds before Intended Use</u>

The amendments to IAS 16 Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of Property, Plant and Equipment any proceeds received from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the entity will recognise such sales proceeds and related cost in the profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether the asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. Therefore, the financial performance of the asset is not relevant to this assessment. The entity must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

In accordance with the transitional provisions, the entity applies the amendments retrospectively only to items of Property, Plant and Equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

<u>Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets– Onerous Contracts- cost of fulfilling a Contract</u>

IAS 37 Provisions, Contingent Liabilities and Contingent Assets defines an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs directly related to contracts activities (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(i) *Application of new and revised International Financial Reporting Standards ("IFRS") (cont'd)*

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets apply for annual periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

Amendments to IFRS 3 Business Combinations- Reference to the Conceptual Framework

The amendments brought to IFRS 3 Business Combinations:

- replace a reference of the previous version of the IASB's Conceptual Framework (Framework for the Preparation and Presentation of Financial Statements, issued in 1989) with a reference to the current version (Conceptual Framework for Financial Reporting, issued in March 2018) without significantly changing its requirements.

- detail specific requirements for transactions and other events within the scope of IAS 37 or IFRIC 21:

(i) For a provision or contingent liability that would be within the scope of IAS 37, the acquirer shall apply IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.

(ii) For a levy that would be within the scope of IFRIC 21, the acquirer shall apply IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

(iii) The acquirer shall not recognise a contingent asset at the acquisition date.

These specific requirements to IFRS 3 Business Combinations add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

In accordance with the transitional provisions, the entity applies the amendments prospectively, i.e., to business combinations occurring after the annual periods beginning on or after 1 April 2022 in which it first applies the amendments (the date of initial application).

Annual Improvements to IFRS Accounting Standards 2018-2020

The Annual Improvements to IFRS Accounting Standards 2018-2020 include amendments to four standards:

(a) IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

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

(a) **Basis of preparation (continued)**

(i) ***Application of new and revised International Financial Reporting Standards ("IFRS") (cont'd)***

(b) IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

(c) IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example (non-obligatory part of IFRS), so no effective date is stated.

(d) IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The above-mentioned amendments did not have any major impact on the Company's financial statements for the year ended 31 March 2024.

(ii) ***Standards and interpretations issued and not yet effective for the financial year ended 31 March 2023***

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them. The directors have assessed that the below standards would not have an impact on the financial statements.

Amendments	Effective for accounting period beginning on or after
IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17)	01 January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments – Disclosure of Accounting Policies)	01 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)	01 January 2023
IAS 12 Income Taxes (Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	01 January 2023
Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17).	01 January 2023
IAS 1 Presentation of Financial Statements (Amendments– Classification of Liabilities as Current or Non-current)	01 January 2024
IFRS 16 Leases (Amendments- Lease Liability in a Sale and Leaseback)	01 January 2024
IAS 1 Presentation of Financial Statements (Amendments– Non-current Liabilities with Covenants)	01 January 2024
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Amendments - Sale or contribution of assets between an investor and its associate or joint venture)	Defer the effective date of the September 2014 amendments to these standards indefinitely.

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

(a) **Basis of preparation (continued)**

(ii) ***Standards and interpretations issued and not yet effective for the financial year ended 31 March 2024 (cont'd)***

The Directors are in the process of making an assessment of the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. The amendments are not expected to have any major impact on the Company's financial statement.

(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 per the provision under the Mauritian Companies Act 2001 for companies holding a Global Business Licence.

(e) ***Financial instruments***

Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Classification and subsequent measurement

<u>Financial assets</u>

On initial recognition, the Company classifies its financial asset as measured at: amortised cost or at fair value through profit or loss ("FVTPL").

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

(e) ***Financial instruments (continued)***

(i) Classification and subsequent measurement (continued)

Financial assets (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

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 the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- 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;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- 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.

Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

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 SPPI, 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:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) ***Financial instruments (cont'd)***

(i) Classification and subsequent measurement (cont'd)

Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI") (continued)

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-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).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at amortised costs consists of loan to related parties, other receivables and cash and cash equivalents. FVTPL consists of investment in equity securities.

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.

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

Financial liabilities of the Company consists of loans payable and accruals which are carried at amortised costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) ***Financial instruments (cont'd)***

(ii) 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 it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, 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 of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position 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.

(iv) Impairment

The Company recognises loss allowances for ECLs on following categories of financial assets:

- financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) ***Financial instruments (cont'd)***

(iv) Impairment (continued)

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL

ECLs 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 entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) ***Financial instruments (cont'd)***

(iv) Impairment (cont'd)

Credit-impaired financial assets

At each reporting date, the Company assesses whether the financial assets carried at amortised cost. 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. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance of ECL in the statement of financial position

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 when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(v) Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Stated capital

Ordinary 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.

(g) Expenses recognition

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

(h) 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.

(i) Current and deferred income tax

Current tax

The current income tax charge is based on taxable income for the year calculated or 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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).

(k) 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; and
• interest rate 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.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (cont'd)

(b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	More than 1 year
	USD	USD
At 31 March 2024		
Borrowings	**3,47,28,060**	**-**
Other payables	**1,37,80,441**	**-**
	4,85,08,501	**-**
At 31 March 2023		
Borrowings	8,38,665	3,66,49,060
Other payables	40,17,796	-
	48,56,461	3,66,49,060

(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 investments in subsidiary companies as these are maintained at costs (adjusted for any impairment), unless there are material changes in the exchange rate vis-à-vis the USD.

Currency profile

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

	Financial assets	Financial assets	Financial liabilities	Financial liabilities
	2024	2023	**2024**	2023
	USD	USD	**USD**	USD
United States Dollar ("USD")	**29,95,644**	37,06,685	**3,89,11,871**	4,34,28,680

Investment in subsidiary companies amounting to USD 278,890,375 (2023: USD 279,348,646), prepayments amounting to USD 2,225 (2023: USD 2,260) and tax liability USD 64,723 (2023: USD 91,174) 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.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(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.

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 2024 and 2023 were as follows:

	2024	2023
	USD	USD
Total borrowings	**3,47,28,060**	3,66,49,060
Less: cash and cash equivalents	**(2,63,424)**	(35,709)
	3,44,64,636	3,66,13,351
Total equity	**24,54,46,370**	24,21,43,565
Debt-to-equity ratio	**0.141:1**	0.167:1

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.

5. INVESTMENT IN SUBSIDIARY COMPANIES

	2024	2023
	USD	USD
Unquoted:		
At April 01 and at March 31,	**27,88,90,375**	27,93,48,646

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

Name of company	Country of incorporation	Class of shares	% holding		Carrying amount	
					2024	2023
			2024	2023	**USD**	USD
Aster DM Healthcare FZC	UAE	Equity shares	**99.98%**	99.98%	**27,88,90,375**	27,88,90,375
Dr Moopens Healthcare Management Services W.L.L	Qatar	Equity shares	**99.00%**	99.00%	**0**	4,58,271

(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 2024.

(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.

(vi) The shares held in Dr Moopen Healthcare Management Services W.L.L were sold on 22 February 2024 for a consideration of QAR 44,531,796.

6. FINANCIAL ASSETS AT AMORTISED COST

	USD	USD
Loan receivable from related party	**2,78,122**	11,00,000
Amount receivable from related party	**1,43,88,449**	22,23,587
Interest receivable from related party	**1,91,393**	1,91,393
	1,48,57,964	35,14,980

	2024	2023
Analysed as follows:	**USD**	USD
Non-current	**2,78,122**	11,00,000
Current	**1,45,79,842**	24,14,980
	1,48,57,964	35,14,980

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**	**2024**	2023
	USD	USD
Prepayments	**2,225**	2,260

8. **CASH AND CASH EQUIVALENTS**	**2024**	2023
	USD	USD
Cash at bank	**2,63,424**	35,709

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

9. **STATED CAPITAL**

	2024	2023
	USD	USD
Issued and fully paid		
1,000 Ordinary shares of USD 1 each	**1,000**	1,000
219,324,675 Redeemable Preference shares of USD 1 each	**21,93,24,675**	21,93,24,675
	21,93,25,675	21,93,25,675

The ordinary shares have been issued at USD 1 each,carry one voting right per share and rights to dividends.

The redeemable preference shares have been issued at USD 1 each. It has no voting right but has has the right to dividends and has the right to an equal share in the distribution of surplus assets of the company.

10. **BORROWINGS**	**2024**	2023
	USD	USD
Loans from related parties		
At 31 March	**3,47,28,060**	3,66,49,060
Analysed as follows:		
Non-current	**-**	3,66,49,060
Current	**3,47,28,060**	-
	3,47,28,060	3,66,49,060

(a) Loans from related parties amounting to USD 34,728,060 (2023: USD 34,728,060) are interest free, unsecured and repayable after 24 months as from date of disbursement with automatic extensions and a loan of USD Nil for the year ended 31 March 2024 (2023: USD Nil) received from subsidiary company bears interest at the rate of 3.5% per annum, unsecured and repayable on demand.

(b) The loans are denominated in USD.

11. OTHER PAYABLES

	2024	2023
	USD	USD
Amount payable to related parties	**72,57,553**	39,99,707
Interest payable	-	-
Accruals	**65,22,888**	18,089
	1,37,80,441	40,17,796

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

12. 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**

		2024	2023
		USD	USD
At start of the year		**91,174**	4,02,368
Current tax charge for the year	**1,52,910**	-	26,452
Refund of tax		**(5,606)**	-
APS Tax provision		**52,730**	60,581
Paid during the year		**(79,181)**	(3,98,227)
As at 31 March		**59,117**	91,174

(b) **Statement of profit or loss**

		2024	2023
		USD	USD
Current tax on the adjusted result for the year	**1,52,910**	-	26,452
Refund of tax		**(5,606)**	-
Tax provision		**52,730**	60,581
Taxation provision for subsidiary (i)		**17,64,045**	1,14,579
		18,11,169	2,01,612

(i) The tax provision is for the subsidiary (Dr. Moopen's Healthcare Management Services Company W.L.L) in Qatar. The provision is as per Section 4(10) of the Qatari Tax Act.

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:

	2024	2023
	USD	USD
(Loss)/Profit before taxation	**51,13,974**	31,18,634
Tax calculated at 15% (2023: 15%)	**7,67,096**	4,67,795
Expenses not deductible for tax purpose	**11,94,517**	68,439
Tax provision	**-**	(25,657)
Other provision		-
Other deductible items	**(19,14,489)**	(4,23,544)
Taxation provision for subsidiary (i)	**17,64,045**	1,14,579
Tax charge	**18,11,169**	2,01,612

13. **RELATED PARTY TRANSACTIONS**

During the years ended 31 March 2024 and 2023, the Company traded with related entities. The nature, volume of transactions and the balances with the entities are as follows:

Name of companies	Nature of relationship		Nature of transactions	Volume of transactions	**2024**	2023
				USD	**USD**	USD
Aster DM Healthcare FZC	Subsidiary company	(i)	Other payable	**77,587**	**26,32,694**	25,55,107
		(ii)	Interest payable	**-**	**-**	-
		(iii)	Loan payable	**(19,21,000)**	**3,47,28,060**	3,66,49,060
Alfa Investments Limited	Entreprise with common shareholders		Amount receivable	**-**	**18,65,510**	18,65,510
Dr Moopen Healthcare Management Services WLL	Subsidiary company	(i)	Loan receivable	8,21,878	**2,78,122**	11,00,000
		(ii)	Other payable	**3,89,812**	**15,34,412**	11,44,600
		(iii)	Consultancy income	**39,118**	**3,94,977**	3,55,859
		(iv)	Interest receivable	**0**	**1,91,393**	1,91,393
Union Investments Pvt Ltd	Entreprise with Common Shareholders	(v)	Other receivable	**2,218**	**2,218**	2,218

Terms and conditions of transactions with related parties

(i) There have been no guarantees provided or received for any outstanding balances.
(ii) The terms of the amount due from and payable to related parties are disclosed in their respective notes.
(iii) The transactions with the related parties have been made on normal commercial terms and in the ordinary course of business.
(iv) For the years ended 31 March 2024 and 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of each related party and the market in which the related party operates.

14. **HOLDING COMPANY**

The directors consider Aster DM Healthcare Limited, a company incorporated in India as the holding company.

15. **EVENTS AFTER THE REPORTING DATE**

There have been no material events after the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 March 2024.