

Affinity Holdings Pvt. Ltd

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2023

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CORPORATE INFORMATION

		Date of appointment	Date of resignation
DIRECTORS	: Dr Azad Moopen Mandayapurath	January 24, 2008	-
	Naseera Azad	January 24, 2008	-
	Neernaysingh Madhour	January 28, 2014	-
	Savinilorna Payandi - Pillay Ramen	May 11, 2018	-
	Sevin Chendriah	September 23, 2019	-
	Alisha Moopen	July 25, 2021	-
	Thadathil Joseph Wilson	August 02, 2021	-
ADMINISTRATOR AND SECRETARY	: IQ EQ Corporate Services (Mauritius) Ltd Les Cascades Building 33, Edith Cavell Street Port Louis, 11324 Republic of Mauritius		
REGISTERED OFFICE	: C/o IQ EQ Corporate Services (Mauritius) Ltd Les Cascades Building 33, Edith Cavell Street Port Louis, 11324 Republic of Mauritius		
AUDITOR	: Baker Tilly 1st Floor, Cybertower One Cybercity, Ebene 72201 Republic of Mauritius		
BANK	: Absa Bank (Mauritius) Limited Absa House, 68 Wall Street Cybercity, Ebene 72201 Republic of Mauritius		

COMMENTARY OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

The directors are pleased to present their commentary together with the audited financial statements of **Affinity Holdings Pvt. Ltd** (the "Company") for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

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

The directors have not declared and paid dividend for the year under review (2022: USD 6,225,091).

STATUS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

AUDITOR

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

SECRETARY'S CERTIFICATE FOR THE YEAR ENDED 31 MARCH 2023

We certify, to the best of our knowledge and belief, that **Affinity Holdings Pvt. Ltd** (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under Section 166(d) of the Mauritius Companies Act 2001 during the year ended 31 March 2023.

For and on behalf of

IQ EQ Corporate Services (Mauritius) Ltd
Secretary

Date:

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	2023 USD	2022 USD
ASSETS			
Non-current assets			
Investment in subsidiary companies	5	279,348,646	279,348,646
Financial asset at amortised cost	6	1,100,000	1,100,000
		280,448,646	280,448,646
Current assets			
Financial assets at amortised cost	6	2,412,762	2,307,173
Other receivables	7	4,478	2,260
Cash and cash equivalents	8	35,709	299,512
		2,452,949	2,608,945
Total assets		282,901,595	283,057,591
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	219,325,675	219,325,675
Retained earnings		22,860,215	19,900,868
Total equity		242,185,890	239,226,543
Non-current liabilities			
Borrowings	10	36,649,060	39,406,058
		36,649,060	39,406,058
Current liabilities			
Other payables	11	4,015,578	3,183,957
Current tax liability	12	51,065	402,368
Borrowings	10	-	838,665
		4,066,643	4,424,990
Total equity and liabilities		282,901,594	283,057,591

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

.....
Savinilorna Payandi - Pillay Ramen
Director

.....
Neernaysingh Madhour
Director

The notes on pages 11 to 30 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED 31 MARCH 2023**

	Note	2023	2022
		USD	USD
REVENUE			
Interest income		38,500	38,500
Other income		11,031	37,383
Dividend income		3,529,533	10,061,626
		3,579,064	10,137,509
EXPENSES			
Other expenses		436,399	-
Audit fees		4,830	4,715
Administration fees		3,020	2,600
Director fees		3,000	3,000
Licence		2,490	2,460
Bank charges		1,876	1,625
Accounting fees		3,100	3,400
Tax filing fees		1,208	2,875
Penalty fees		2,041	-
Disbursement		250	250
		458,214	20,925
Profit before interest expense		3,120,850	10,116,584
Interest expense		-	(19,250)
Profit before taxation		3,120,850	10,097,334
Taxation	12	(161,503)	(456,469)
Profit for the year		2,959,347	9,640,865
Other comprehensive income		-	-
Total comprehensive income/((loss)for the year		2,959,347	9,640,865

The notes on pages 11 to 30 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Note	Stated capital	Retained earnings	Total
		USD	USD	USD
At 01 April 2021		219,325,675	16,485,094	235,810,769
Total comprehensive income for the year:				
- Profit for the year			9,640,865	9,640,865
- Dividends	13	-	(6,225,091)	(6,225,091)
At 31 March 2022		<u>219,325,675</u>	<u>19,900,868</u>	<u>239,226,543</u>
At 01 April 2022		219,325,675	19,900,868	239,226,543
Total comprehensive income for the year:				
- Profit for the year		-	2,959,347	2,959,347
- Dividends		-	-	-
At 31 March 2023		<u>219,325,675</u>	<u>22,860,215</u>	<u>242,185,890</u>

The notes on pages 11 to 30 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 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		USD	USD
Cash flows from operating activities			
Profit before taxation		3,120,850	10,097,334
<i>Adjustments for:</i>			
Dividend income		(3,529,533)	(10,061,626)
Expenses paid on behalf of the Company			(99,572)
Interest income		(38,500)	(38,500)
Interest expense		-	19,250
		<u>(447,183)</u>	<u>(83,114)</u>
<i>Changes in working capital:</i>			
Financial assets at amortised cost		(105,589)	(72,339)
Prepayment		-	-
Other payables		831,621	149,661
Cash (used in)/generated from operating activities		<u>278,849</u>	<u>(5,792)</u>
Tax paid		(398,227)	-
Net cash used in operating activities		<u>(119,378)</u>	<u>(5,792)</u>
Cash flows from investing activity			
Dividend received		3,529,533	10,061,626
Net cash flows generated from investing activity		<u>3,529,533</u>	<u>10,061,626</u>
Cash flows from financing activities			
(Repayment of borrowing)/Proceed from borrowings		(2,756,998)	(3,531,470)
Dividend paid to shareholder	13	-	(6,225,091)
Net (used in)/cash generated from financing activities		<u>(2,756,998)</u>	<u>(9,756,561)</u>
Net movement in cash and cash equivalents		653,157	299,273
Cash and cash equivalents at beginning of the year		<u>299,512</u>	<u>240</u>
Cash and cash equivalents at end of the year		<u><u>952,669</u></u>	<u><u>299,512</u></u>

Out of the dividend income received of USD 10,061,626 for the year ended 31 March 2022, USD 1,361,470 is a non cash item.

The notes on pages 11 to 30 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

During the year ended 31 March 2023, the Company's profit for the year was USD 2,959,347 (2022: Profit of USD 9,640,866). As at that date, the Company's current liabilities exceeded its current assets by USD 1,613,694 (2022: USD 1,816,045) and it had retained earnings of USD 22,860,215 (2022: USD 19,900,868). However, the total assets of the Company exceeded its total liabilities by USD 242,185,892 (2022: USD 239,226,543). The Company meets its day-to-day working capital requirements through loans received from related parties. At the end of the reporting date, the loans received from related parties amounted to USD 36,649,060,723 (2022: USD 40,244,723).

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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 2021.

Amendments	Effective for accounting period beginning on or after
Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	01 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	01 April 2021

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

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Interest Rate Benchmark Reform – Phase 2 introduces amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 and is not mandatorily effective until annual periods beginning on or after 01 January 2021, however, many entities were expected to adopt the amendments early.

The amendments did not have any major impact on the Company’s financial statements for the year ended 31 March 2023.

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

Effective 01 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent

concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- The reduction in lease payments affects only payments originally due on or before 30 June 2021; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

*Application of new and revised International Financial Reporting Standards ("IFRS") (cont'd)*Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) (cont'd)

(c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

Accounting for the rent concessions as lease modifications would have resulted in the Company remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Company is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

On 31 March 2021, the IASB issued another amendment to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021, which extended the above practical expedient to reductions in lease payments that were originally due on or before 30 June 2022. This amendment is effective for annual periods beginning on or after 01 April 2021 with earlier application permitted. The amendment is to be applied mandatorily by those entities that have elected to apply the previous amendment COVID-19-Related Rent Concessions.

The amendments did not have any major impact on the Company's financial statements for the year ended 31 March 2023.

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
IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use)	01 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)	01 January 2022
Annual Improvements to IFRS Standards 2018-2020	01 January 2022
IFRS 3 Business Combinations (Amendment – Reference to the Conceptual Framework)	01 January 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of preparation (continued)**

Standards and interpretations issued and not yet effective for the financial year ended 31 March 2023 (cont'd)

Amendments	Effective for accounting period beginning on or after
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17)	01 January 2023
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)	01 January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies)	01 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)	01 January 2023
IAS 12 Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	01 January 2023

The Company is 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

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

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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) *Financial instruments (cont'd)*****(i) *Classification and subsequent measurement (cont'd)***Business model assessment (cont'd)

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:

- 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) *Financial instruments (cont'd)*****(i) *Classification and subsequent measurement (cont'd)****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, 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.

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

(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 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.

(iv) *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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) *Financial instruments (cont'd)*****(v) *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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Financial instruments (cont'd)****(v) 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.

(vi) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 taxCurrent tax

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

Deferred tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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;
- interest rate risk; and
- Covid -19 risk.

(a) Concentration risk

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

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 USD	More than 1 year USD
<u>At 31 March 2023</u>		
Borrowings	-	36,649,060
Other payables	4,015,578	-
	4,015,578	36,649,060
<u>At 31 March 2022</u>		
Borrowings	838,665	39,406,058
Other payables	3,183,957	-
	4,022,622	39,406,058

(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 2023 USD	Financial assets 2022 USD	Financial liabilities 2023 USD	Financial liabilities 2022 USD
United States Dollar ("USD")	3,357,079	3,706,685	40,364,638	43,428,680

Investment in subsidiary companies amounting to USD 279,348,646 (2022: USD 279,348,646), prepayments amounting to USD 2,260 (2022: USD 2,260) and tax liability USD 51,065 (2022: USD 402,368) have been excluded from financial assets and financial liabilities respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. FINANCIAL RISK MANAGEMENT (CONTINUED)**3.1 Financial risk factors (continued)****(d) Credit risk**

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

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

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

(e) Interest rate risk

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

(f) Covid-19 risk

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management (cont'd)

The debt-to-equity ratios at 31 March 2023 and 2022 were as follows:

	2023	2022
	USD	USD
Total borrowings	36,649,060	40,244,723
Less: cash and cash equivalents	(35,709)	(299,512)
	36,613,351	39,945,211
Total equity	242,185,890	239,226,543
Debt-to-equity ratio	0.173:1	0.186:1

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**Critical accounting estimates and assumptions (continued)**Impairment of financial assets

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

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

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

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

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

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

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

Limitation of sensitivity analysis

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5. INVESTMENT IN SUBSIDIARY COMPANIES

	2023	2022
	USD	USD
<u>Unquoted:</u>		
At April 01 and at March 31,	279,348,646	279,348,646

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

Name of company	Country of incorporation	Class of shares	% holding		Carrying amount	
			2023	2022	2023	2022
					USD	USD
Aster DM Healthcare FZC	UAE	Equity shares	99.98%	99.98%	278,890,375	278,890,375
Dr Moopens Healthcare Management Services W.L.L	Qatar	Equity shares	99.00%	99.00%	458,271	458,271

(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 2023.

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

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

6. FINANCIAL ASSETS AT AMORTISED COST

	2023	2022
	USD	USD
Loan receivable from related party	1,100,000	1,100,000
Amount receivable from related party	2,221,369	2,154,280
Interest receivable from related party	191,393	152,893
	3,512,762	3,407,173
	2023	2022
	USD	USD
Analysed as follows:		
Non-current	1,100,000	1,100,000
Current	2,412,762	2,307,173
	3,512,762	3,407,173

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022
	USD	USD
Due from related party	2,218	-
Prepayments	2,260	2,260
	4,478	2,260

8. CASH AND CASH EQUIVALENTS

	2023	2022
	USD	USD
Cash at bank	35,709	299,512

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

9. STATED CAPITAL

	2023	2022
	USD	USD
<i>Issued and fully paid</i>		
1,000 Ordinary shares of USD 1 each	1,000	1,000
219,324,675 Redeemable Preference shares of USD 1 each	219,324,675	219,324,675
	219,325,675	219,325,675

The ordinary shares have been issued at USD 1 each, 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 the right to dividends and has the right to an equal share in the distribution of surplus assets of the company.

10. BORROWINGS

	2023	2022
	USD	USD
Loans from related parties		
At 31 March	36,649,060	40,244,723
Analysed as follows:		
Non-current	36,649,060	39,406,058
Current	-	838,665
	36,649,060	40,244,723

- (a) Loans from related parties amounting to USD 36,649,060 (2022: USD 39,406,058) are interest free, unsecured and repayable after 24 months as from date of disbursement with automatic extensions and a loan of USD 838,665 as at 31 March 2022 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

11. OTHER PAYABLES

	2023	2022
	USD	USD
Amount payable to related parties	3,697,489	3,082,649
Interest payable	-	76,314
Accruals	318,089	24,994
	4,015,578	3,183,957

- (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

	2023	2022
	USD	USD
At start of the year	402,368	64,722
Current tax charge for the year	46,924	311,990
APS tax provision	-	25,656
Paid during the year	(398,227)	-
As at 31 March	51,065	402,368

(b) Statement of profit or loss

	2023	2022
	USD	USD
Current tax on the adjusted result for the year	46,924	311,990
APS tax provision	-	25,656
Other taxation	114,579	118,823
	161,503	456,469

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:

	2023	2022
	USD	USD
Profit before taxation	3,120,850	10,097,334
Tax calculated at 15% (2022: 15%)	468,128	1,514,600
Expenses not deductible for tax purpose	2,340	4,785
Deemed tax credit	-	-
APS tax provision	-	3,848
Other provision	-	21,808
Other deductible items	(423,544)	(1,207,395)
Other taxation	114,579	118,823
Tax charge	161,503	456,469

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

13. RELATED PARTY TRANSACTIONS

During the years ended 31 March 2023 and 2022, 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 USD	2023 USD	2022 USD
Aster DM Healthcare FZC	Subsidiary company	(i) Other payable	229,108	2,552,889	2,323,781
		(ii) Interest payable	- 57,064	-	57,064
		(iii) Loan payable	(7,127,133)	36,649,060	43,776,193
Alfa Investments Limited	Entreprise with common shareholders	Amount receivable	-	1,865,510	1,865,510
Dr Moopen Healthcare Management Services WLL	Subsidiary company	(i) Loan receivable	-	1,100,000	1,100,000
		(ii) Other payable	506,853	1,144,600	637,747
		(iii) Consultancy income	100,928	355,859	254,931
		(iv) Interest receivable	77,000	191,393	114,393
Union Investments Pvt Ltd		(i) Other receivable	2,218	2,218	-

Terms and conditions of transactions with related parties

- There have been no guarantees provided or received for any outstanding balances.
- The terms of the amount due from and payable to related parties are disclosed in their respective notes.
- The transactions with the related parties have been made on normal commercial terms and in the ordinary course of business.
- For the years ended 31 March 2023 and 2022, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 2023.