

INDEPENDENT AUDITORS' REPORT

To:

The Partners

Aster Clinical Lab LLP

(LLPIN: AAP 8163)

Report on the Financial Statements

We have audited the accompanying IND AS financial statements of Aster Clinical Labs LLP ("the Firm"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including other comprehensive Income) and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the applicable laws and regulations to a Limited Liability Partnership in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as amended from time to time and other accounting principles generally accepted in India, of the state of affairs of the LLP as at March 31, 2022, and its financial performance including other comprehensive income and cash flows for the year ended on that date.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the LLP in accordance with Accounting Standards and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the LLP's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Matters

The IND AS Financial statement of LLP for the year ended March 31, 2022 has been prepared for the specific purpose of consolidation of these financial statement with parent company. These IND AS financial statement is not meant for general users, though this IND AS financials are prepared under general purpose financial reporting framework.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the LLP as at 31st March, 2022, and its loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

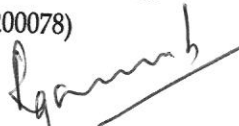
We report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the LLP so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards to the extent applicable.
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the LLP and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

For K. Rangamani and Associates LLP

Chartered Accountants

(FRN - S200078)



Ganesh Ramaswamy

Partner

ICAI Mem. No. 27823

UDIN- 22027823AJVOZD2216

Bengaluru

Date: 23/05/2022



"Annexure A" to the Independent Auditors' Report of even date on the financial statements of AsterClinical Lab LLP for the year ended 31st March 2022.

Report on the Internal Financial Controls of Aster Clinical Lab LLP

We have audited the internal financial controls over financial reporting of Aster Clinical Lab LLP as on March, 31, 2022 in conjunction with our audit of the standalone financial statements of the LLP for the year ended on that date.

Management's responsibility for internal financial controls

The LLP's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the LLP considering the essential components of internal controls stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the LLP's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the LLP Act 2008.

Auditors' Responsibility

Our responsibility is to express an opinion on the LLP's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the "Guidance Note") and the standards on auditing, issued by Institute of Chartered Accountants of India, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

The LLP's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The LLP's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the LLP.



2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the LLP are being made only in accordance with authorizations of management and designated partners of the LLP; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the LLP's assets that could have a material effect on the financial statements.

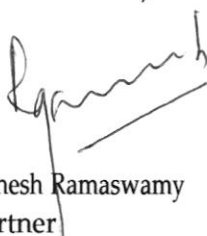
Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the LLP has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the firm considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For K. Rangamani and Associates LLP
Chartered Accountants
(FRN – S200078)



Ganesh Ramaswamy
Partner

ICAI Mem. No. 27823

UDIN 22027823AJVOZD2216

Bengaluru

Date: 23/05/2022

ASTER CLINICAL LAB LLP

AUDITED FINANCIAL STATEMENTS

(IND AS)- 2021-22

ASTER CLINICAL LAB LLP
Balance Sheet as at March 31, 2022

(Amount in Rs.)

Sl. No. Particulars	Note Nos.	As at March 31, 2022	As at March 31, 2021
I Assets			
Non-current assets			
a) Property, plant and equipment	3	24,08,57,543	18,62,57,766
b) Right-of-use assets	4	23,42,49,394	16,14,89,510
c) Capital work in progress	5	1,70,14,721	1,24,50,589
d) Other intangible assets	6	1,04,07,582	36,22,729
e) Intangible assets under development	7	4,37,800	46,97,000
f) Financial assets			
(i) Other financial assets	8	3,06,67,046	1,10,37,070
g) Deferred tax assets	9	-	17,34,387
h) Other non-current assets	10	7,05,22,360	1,79,37,248
Total non-current assets		60,41,56,446	39,92,26,300
Current assets			
a) Inventories	11	7,39,53,784	4,20,76,682
b) Financial assets			
(i) Trade receivables	12	15,98,00,486	28,10,45,906
(ii) Cash and cash equivalents	13	15,95,68,651	1,30,71,386
(iii) Other financial assets	14	34,85,665	6,78,678
c) Other current assets	15	1,06,79,479	88,34,277
Total current assets		40,74,88,065	34,57,06,928
Total assets		1,01,16,44,511	74,49,33,228
II. Equity and liabilities			
Equity			
a) Partners' capital accounts	SOCE	1,00,10,000	1,00,10,000
b) Partners' current accounts	SOCE	(46,12,83,825)	(19,05,47,169)
Total equity		(45,12,73,825)	(18,05,37,169)
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	16	19,78,24,931	10,54,00,000
(ii) Lease liabilities	21	23,58,23,102	16,14,81,483
b) Provisions	17	1,48,24,000	1,31,32,000
c) Other non-current liabilities	18	1,24,81,657	82,25,054
Total non-current liabilities		46,09,53,690	28,82,38,538
Current liabilities			
a) Financial liabilities			
(i) Borrowings	19	72,66,12,599	42,56,00,000
(ii) Lease liabilities	21	2,31,85,121	1,11,30,882
(iii) Trade payables	20		
- Total outstanding dues of micro and small enterprises		12,68,043	13,40,334
- Total outstanding dues of creditors other than micro and small enterprises		4,97,31,185	4,77,73,588
(iv) Other financial liabilities	21	18,93,09,804	13,06,67,717
b) Provisions	22	7,55,000	6,39,000
c) Other current liabilities	23	91,01,894	2,00,80,339
Total current liabilities		1,00,19,64,646	63,72,31,859
Total liabilities		1,46,29,18,336	92,54,70,397
Total equity and liabilities		1,01,16,44,511	74,49,33,228

See accompanying notes to the financial statements

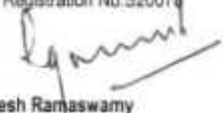
1-40

In terms of our report of even date

For K.Rangamani and Associates LLP

Chartered Accountants

Firm Registration No. S20078


Ganesh Ramaswamy
Partner
Membership No. 27823
UDIN: 22027823AJVOZD2216
Place: Bengaluru
Date: 23/05/2022



For Aster Clinical Lab LLP


Sunil Kumar M R
Designated Partner
DIN 09045676

Place:
Date:

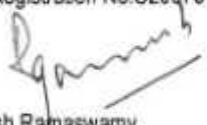

Abdul Salam Ameerali
Designated Partner
DIN 08091822

ASTER CLINICAL LAB LLP
Statement of Profit and Loss for the Year Ended March 31, 2022

(Amount in Rs.)

Sl.no.	Particulars	Note Nos.	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	Revenue from operations	24	88,92,85,857	39,36,67,494
II.	Other income	25	67,36,950	20,78,196
III.	Total Revenue (I + II)		89,60,22,807	39,57,45,690
IV.	Expenses			
(a)	Purchases	26	59,41,91,211	31,25,57,477
(b)	Changes in inventories	27	(3,18,77,102)	(4,20,76,682)
(c)	Professional fees to consultant doctors	28	8,91,25,374	5,45,55,365
(d)	Laboratory outsourcing charges	29	1,47,38,555	67,97,548
(e)	Employee benefit expenses	30	18,06,86,495	8,31,61,549
(f)	Finance costs	31	7,60,90,092	4,19,37,169
(g)	Depreciation and amortisation expenses	32	7,22,83,798	4,22,52,100
(h)	Other expenses	33	17,17,31,653	7,74,28,433
	Total expenses (IV)		1,16,69,70,076	57,66,12,959
V.	Profit/(loss) before tax (III - IV)		(27,09,47,269)	(18,08,67,269)
VI.	Tax expense			
(i)	Current tax		-	-
(ii)	Deferred tax		17,34,387	(17,34,387)
	Total tax expense (VI)		17,34,387	(17,34,387)
VII.	Profit/(loss) for the year (V - VI)		(27,26,81,656)	(17,91,32,882)
VIII.	Other Comprehensive Income			
	Items that will not be reclassified subsequently to profit or loss:			
(a)	Remeasurement of defined benefit plans		(19,45,000)	18,82,000
(b)	Income tax relating to items that will not be reclassified to profit and loss		-	-
IX.	Total Comprehensive Income/ (Loss) for the year (VII - VIII)		(27,07,36,656)	(17,72,50,882)
X.	Total Comprehensive Income/ (Loss) for the year attributable to partners:			
	Aster DM Healthcare Limited (Aster DMHL)	99.90%	(27,04,65,919)	(17,70,73,631)
	Ambady Infrastructure Private Limited (Ambady IPL)	0.10%	(2,70,737)	(1,77,251)
	See accompanying notes to the financial statements	1-40		

In terms of our report of even date
For K.Rangamani and Associates LLP
Chartered Accountants
Firm Registration No.S20078


Ganesh Ramaswamy
Partner
Membership No. 27823
UDIN: 22027823AJVOZD2216
Place: Bengaluru
Date: 23/05/2022



For Aster Clinical Lab LLP


Sunil Kumar M R
Designated Partner
DIN 09045676

Place:
Date:


Abdul Salam Ameeralli
Designated Partner
DIN 08091822

ASTER CLINICAL LAB LLP
Statement of changes in equity for the year ended March 31, 2022

Particulars	Aster DMHL	Ambady IPL	(Amount in Rs.) Total
A. Partners' Capital Account			
As at April 01, 2020	1,00,00,000	10,000	1,00,10,000
Changes in Partners Capital during 2020-21	-	-	-
As at March 31, 2021	1,00,00,000	10,000	1,00,10,000
Changes in Partners Capital during 2021-22	-	-	-
As at March 31, 2022	1,00,00,000	10,000	1,00,10,000
B. Partners' Current Account			
As at April 01, 2020	(1,14,02,873)	(11,414)	(1,14,14,287)
Credits during the year	(17,70,73,631)	(1,77,251)	(17,72,50,882)
Remuneration during the year	-	-	-
Interest on Capital during the year	-	-	-
Drawings during the year	-	-	-
Share of total comprehensive income for the year 2020-21	(18,80,118)	(1,882)	(18,82,000)
As at March 31, 2021	(19,03,56,622)	(1,90,547)	(19,05,47,169)
Credits during the year	(27,24,08,974)	(2,72,682)	(27,26,81,656)
Remuneration during the year	-	-	-
Interest on Capital during the year	-	-	-
Drawings during the year	-	-	-
Share of total comprehensive income for the year 2021-22	19,43,055	1,945	19,45,000
As at March 31, 2022	(46,08,22,541)	(4,51,284)	(46,12,83,825)

In terms of our report of even date
For K.Rangamani and Associates LLP
Chartered Accountants
Firm Registration No. S20078


Ganesh Ramaswamy
Partner
Membership No. 27823
UDIN: 22027823AJVOZD2216
Place: *Bengaluru*
Date: *23/05/2022*



For Aster Clinical Lab LLP



Sunil Kumar M R
Designated Partner
DIN 09045676

Place:
Date:



Abdul Salam Ameeralli
Designated Partner
DIN 08091822

ASTER CLINICAL LAB LLP
Cash flow statement for the year ended March 31, 2022

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from Operating Activities		
Profit / (Loss) before tax	(27,09,47,269)	(18,08,67,269)
Adjustments for:		
Depreciation and amortization expenses	7,08,17,388	4,22,52,100
Finance Costs recognized in profit and loss	7,60,90,092	4,19,37,169
Interest income	(31,15,861)	(11,78,995)
Operating cash flows before movements in working capital	(12,71,55,650)	(9,78,56,995)
Movements in Working Capital		
(Increase) / decrease in inventories	(3,18,77,102)	(4,20,76,682)
(Increase) / decrease in trade receivables	12,12,45,420	(28,10,45,906)
(Increase) / decrease in other assets	(8,10,30,507)	(2,46,21,726)
Increase/(decrease) in trade payable	18,85,306	1,91,04,882
Increase/(decrease) in other liabilities	4,94,31,802	14,14,68,378
Increase/(decrease) in short term provisions	1,16,000	1,99,11,541
Increase/(decrease) in long term provisions	36,37,000	1,27,89,000
CASH GENERATED FROM OPERATIONS	(6,37,47,731)	(25,23,27,508)
Income tax Paid	-	-
Net Cash inflow from/ (outflow) from Operating activities	(6,37,47,731)	(25,23,27,508)
B. Cash Flow from Investing Activities		
Purchases of property, plant and equipment	(9,89,55,939)	(17,44,72,800)
Proceeds on disposal of property, plant and equipment	1,46,481	-
Long term loans and advances received back	-	(1,13,895)
Long term loans and advances given	-	5,30,78,276
Interest received	3,08,874	6,55,772
Net Cash inflow from/ (outflow) from Investing activities	(9,85,00,584)	(12,08,52,647)
C. Cash Flow from Financing Activities		
Proceeds from long term borrowings	9,24,24,931	10,54,00,000
Increase/(decrease) in short term borrowings (net)	25,86,21,360	31,73,00,000
Payment of Lease Liabilities	(2,81,60,250)	(1,62,95,394)
Interest paid	(1,41,40,459)	(2,82,02,405)
Security Deposit Given	-	(25,24,000)
Net Cash inflow from/ (outflow) from Financing activities	30,87,45,581	37,56,78,201
Net increase / (decrease) in cash and cash equivalents	14,64,97,266	24,98,046
Opening Cash and Cash Equivalents		
Cash-in-hand	2,29,712	10,073
Bank balances	1,28,41,674	1,05,63,267
Closing Cash and Cash Equivalents		
Cash in hand	3,86,443	2,29,712
Bank balances	15,91,82,208	1,28,41,674

The above cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard (INDAS7)

In terms of our report of even date

For K.Rangamani and Associates LLP

Chartered Accountants

Firm Registration No.S20078

Ganesh Ramaswamy

Partner

Membership No. 27823

UDIN: 22027823AJVOZD2216

Place: *Bengaluru*

Date: *23/05/2022*



For Aster Clinical Lab LLP

[Signature]

Sunil Kumar M R

Designated Partner

DIN 09045676

Place:

Date:

Abdul Salam Ameeralli

Designated Partner

DIN 08091822

ASTER CLINICAL LAB LLP
Summary of significant accounting policy for the year ended March 31, 2022

Note 1 : Overview of the Limited Liability Partnership (LLP):

- A** Aster Clinical Lab LLP ("the LLP") was incorporated as a limited liability partnership on July 5, 2019 with its registered office at Kochi. The LLP has two partners viz. Aster DM Healthcare Ltd with a capital stake of 99.90% and Ambady Infrastructure (P) Ltd with a capital contribution of 0.10%. The LLP has two designated partners viz. Sunil Kumar M R nominated by Aster DM Healthcare Ltd and Abdul Salam Ameeralli nominated by Ambady Infrastructure (P) Ltd.
- B** The LLP is into the business of establishing, promoting, owning, letting, managing and maintaining pathology laboratories and providing various ancillary services such as diagnostic centres, radiology, blood bank etc.

Note 2 : Significant Accounting Policies:

2.1 Statement of Compliance

Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) for the purpose of consolidation of the LLP's financials in the financials of its partner - Aster DM Healthcare Ltd which company follows the Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Accordingly, the LLP has prepared these Financial Statements which comprise of the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022, the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Financial Statements' or 'financial statements').

2.2 Basis of preparation of financial statements

These financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting

The accounting policies have been applied consistently over all the periods presented in these financial statements except as mentioned below.

Previous year figures have been re-grouped/reclassified where necessary, to confirm with the current year presentation for the purpose of comparability.

2.3 Use of estimates and judgements

The preparation of the LLP's financial statements the Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these Estimates and underlying assumptions are reviewed by the Management on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

2.4 Significant management judgements

The following are significant management judgements in applying the accounting policies of the LLP that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.



ASTER CLINICAL LAB LLP
Summary of significant accounting policy for the year ended March 31, 2022

Note 2 : Significant Accounting Policies:

2.4 Significant management judgements (Cont)

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.5 Revenue recognition

Revenue from providing services is recognised in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change.

2.6 Leases

The LLP recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, LLP's incremental borrowing rate. Generally, the LLP uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the LLP's estimate of the amount expected to be payable under a residual value guarantee, or if LLP changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Finance Lease

In the comparative period, leases are classified as Finance Lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lease. All other leases are classified as Operating lease.

Operating Lease

In the comparative period, leases in which a significant portion of the risks and rewards of ownership are not transferred to the LLP as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.7 Short-term leases and leases of low-value assets

The LLP has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The LLP recognises the lease payments associated with these leases as an expense on a straight-line basis over the

2.8 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19- Employee Benefits.

a) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

ASTER CLINICAL LAB LLP
Summary of significant accounting policy for the year ended March 31, 2022

2.6 Leases (Contd)

(b) Defined contribution plan

Retirement benefits in form of superannuation is a defined contribution scheme. The LLP has no obligation, other than the contribution payable to the superannuation fund. The LLP recognizes contribution payable to the superannuation scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The LLP has defined contribution plans for employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

(c) Defined benefit plans

The LLP has a defined benefit plan (the 'Gratuity Plan'). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the LLP. Presently the LLP's gratuity plan is unfunded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss.

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related Service and interest cost on the LLP's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

2.9 Foreign currency transactions

The functional currency of the LLP is the Indian Rupee (INR). These financial statements are presented in INR (₹). In the financial statements of the LLP, transactions in currencies other than the functional currency are translated into the functional currency at the

Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The LLP has adopted Ind AS 23 'Borrowing Costs' as amended, which requires the entity to calculate and apply the capitalisation rate on general borrowings, if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale and that

2.1 Taxation

(a) Income tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



ASTER CLINICAL LAB LLP
Summary of significant accounting policy for the year ended March 31, 2022

2.1 Taxation (Contd)

The LLP has adopted Ind AS 12 "Income Taxes" as per Appendix C to Ind AS 12. The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.1 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.1 Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

2.1 Depreciation

Depreciable amount for assets is the cost of an asset. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) over their useful lives, using straight-line method as per the useful life in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated

ASTER CLINICAL LAB LLP
Summary of significant accounting policy for the year ended March 31, 2022

2.1 Depreciation (Contd)

Property plant and equipment	Years
Computer Equipment	3 Years
Furniture & Fixtures	5 Years
Lab Instruments	5 Years
Medical Equipment	10 Years
Office Equipment	10 years
Leasehold Improvements	7 & 9 Years based on lease agreements

2.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Where intangible asset is acquired in a business combination, it is measured at its acquisition date fair value. Internally generated intangible asset is recognised as an asset in the books only and when the LLP develops an identifiable intangible asset and the following

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use
- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and

- The expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalised as part of the intangible asset include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for

2.2 Useful life and amortisation

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

- Computer software 3 years

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively. Intangible assets acquired in a business combination viz. Goodwill, Patents, Copyrights and Brands do not have definite useful life and thus, are not amortised. However, these assets are tested for impairment on an annual basis. These are further tested for impairment upon any indication of impairment subsequent to annual testing.

2.2 Impairment of non - financial assets

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital.

2.2 Inventories

Inventories comprise of reagents, chemicals, surgical and laboratory supplies and stores and others and are valued at lower of cost and net realisable value. Cost is determined on moving weighted average basis.

2.2 Provisions and Contingent Liabilities

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. Provisions represent liabilities to the LLP for which the amount or timing is uncertain. Provisions are recognized when the LLP has a present obligation (legal or constructive), 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 such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the LLP. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the LLP is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.






ASTER CLINICAL LAB LLP
Summary of significant accounting policy for the year ended March 31, 2022

2.20 Financial instruments

A) Financial assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the LLP commits to purchase or sell the asset.

b) Subsequent measurement

Subsequent measurement of financial assets is described below -

(i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

(ii) Debt instrument at fair value through other comprehensive income (FVTOCI)

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

However, the LLP recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

(iii) Debt instrument at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the LLP may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The LLP has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

c) Financial Assets - Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the LLP's balance sheet) when:

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

When the LLP has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the LLP continues to recognise the transferred asset to the extent of the LLP's continuing involvement. In that case, the LLP also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the LLP has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the LLP could be required to repay.

(d) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the LLP applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ASTER CLINICAL LAB LLP
Summary of significant accounting policy for the year ended March 31, 2022

2.20 Financial Instruments (Contd)

c) Financial Assets - Derecognition (Contd)

The LLP follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the LLP to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the LLP determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the LLP reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the LLP in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below.

1) *Financial assets measured as at amortised cost*: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the LLP does not reduce impairment allowance from the gross carrying amount.

2) *Debt instruments measured at FVTPL*: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the statement of Profit and Loss.

3) *Debt instruments measured at FVTOCI*: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the LLP combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a The LLP does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

B) Financial liabilities –

a) Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The LLP's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

1) **Financial liabilities at fair value through statement of profit and loss** - Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the LLP that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

2) **Gains or losses on liabilities held for trading are recognised in the statement of profit and loss** - Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.



ASTER CLINICAL LAB LLP
Summary of significant accounting policy for the year ended March 31, 2022

2.20 Financial instruments (Contd)

B) Financial liabilities (Contd)

a) Recognition and measurement (Contd)

3) Liabilities designated as FVTPL- fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the LLP may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The LLP has not designated any financial liability as at fair value through statement of profit and loss.

b) Financial liabilities - Derecognition

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

C) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the LLP enters into forward, futures and other derivative financial instruments. The LLP does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to statement of profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- 1) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- 2) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the LLP formally designates and documents the hedge relationship to which the LLP wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the LLP's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

D) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.



ASTER CLINICAL LAB LLP
Summary of significant accounting policy for the year ended March 31, 2022

2.21 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. The fair value measurement is based on the presumption that the transaction to sell the asset or

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the LLP.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.2 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.2 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the LLP 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.

2.2 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from regular revenue generating, investing and financing activities of the LLP are segregated.



ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022

(Amount in Rs.)

Note 3: Property, plant and equipment		As at March 31, 2022	As at March 31, 2021
- Tangible assets			
Leasehold improvements (Refer Note 32)		8,77,35,714	7,12,68,431
Plant and machinery (Refer note 32)		10,69,00,821	9,15,10,550
Furniture and fixtures (Refer note 32)		49,82,978	14,22,420
Office equipment (Refer note 32)		1,89,94,727	73,12,752
Computers (Refer Note:32)		1,30,66,642	72,38,559
- EPCG Grant			
EPCG Grant (Refer Note:32)		91,76,660	75,05,054
Total		24,08,57,543	18,62,57,766
Note 4: Right-of-use assets		As at March 31, 2022	As at March 31, 2021
(Refer Note:32)			
A Carrying value of Right to use assets at the end of the reporting period			
Opening balance		16,14,89,510	7,76,56,982
Addition to right-of-use assets		10,15,58,498	10,31,34,063
Depreciation expense		2,87,98,614	1,93,01,535
Closing balance		23,42,49,394	16,14,89,510
B Amounts recognized in the Statement of Profit and Loss			
Interest on lease liabilities		1,75,58,394	1,13,19,955
Depreciation charge for the year		2,87,98,614	1,93,01,535
Total amount recognized in the Statement of Profit and Loss		4,63,57,008	3,06,21,490
C Amounts recognized in the Cash Flow Statement			
Payment of lease liabilities		2,81,60,250	1,62,95,394

Note 5: Capital work in progress		As at March 31, 2022	As at March 31, 2021
Projects in progress		1,70,14,721	1,24,50,589
Total		1,70,14,721	1,24,50,589

The LLP has incurred substantial amount of Capital Expenditure during the period under report in respect of its proposed project of setting up pathology laboratories.

Ageing schedule of CWIP

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	1,70,14,721	-	-	-	1,70,14,721
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2022	1,70,14,721	-	-	-	1,70,14,721
As at 31 March 2021					
Projects in progress	1,24,50,589	-	-	-	1,24,50,589
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2021	1,24,50,589	-	-	-	1,24,50,589

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost compared to its original plan.






ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022

Note 6 : Other intangible assets	As at March 31, 2022	As at March 31, 2021
Suvama LIS Software (Refer Note:32)	99,77,670	29,06,470
Aster Labs - Website Development (Refer Note:32)	4,29,912	7,16,259
Total	1,04,07,582	36,22,729

Note 7 : Intangible assets under development	As at March 31, 2022	As at March 31, 2021
Aster Labs - App Development	-	46,97,000
Other intangible asset under development	4,37,800	-
Total	4,37,800	46,97,000

Ageing schedule of intangible assets under development

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	4,37,800	-	-	-	4,37,800
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2022	4,37,800	-	-	-	4,37,800
As at 31 March 2021					
Projects in progress	46,97,000	-	-	-	46,97,000
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2021	46,97,000	-	-	-	46,97,000

As on the date of the balance sheet, there are no intangible assets under development projects whose completion is overdue or has exceeded the cost compared to its original plan.

Note 8 : (i) Other financial assets	As at March 31, 2022	As at March 31, 2021
Non current		
Security deposits for leased Premises	2,05,89,185	1,10,37,070
Fixed deposit *	1,00,77,861	-
Total	3,06,67,046	1,10,37,070

*The above deposits classified here are held for a period of more than 12 months.

Note 9 : Deferred tax assets	As at March 31, 2022	As at March 31, 2021
(a) Income tax assets/(liability)		
Income tax payments, including taxes withheld	-	-
Less: Provision made towards tax liabilities	-	-
Net income tax assets at the end	-	-
(b) Amount recognised in statement of profit and loss		
Current tax	-	-
Deferred tax	(17,34,387)	17,34,387
Tax expense for the year	(17,34,387)	17,34,387
(c) Amount recognised in other comprehensive income		
Current tax	-	-
Deferred tax	-	-
Tax expense for the year	-	-



Handwritten signature.

Handwritten signature.

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022

Note 9 : Deferred tax assets (Contd) As at March 31, 2022 As at March 31, 2021

(d) Recognised deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following:

Deferred Tax Liability arising on account of :

Property, plant and equipment (9,66,458) (18,91,533)

Deferred Tax Asset arising on account of :

Business Loss and Unabsorbed* 9,66,458 -

Provision for Gratuity and other expenses - 17,53,397

Other disallowances - 18,72,523

Deferred tax asset - **17,34,387**

Opening Balance 17,34,387 -

Deferred tax expense for the year (17,34,387) 17,34,387

Closing Balance - **17,34,387**

*Deferred Tax is recognised to the extent that it is probable that future tax profit will be available against which can be utilised. The existence of unused losses is strong evidence that future profit may not be available. Therefore, company has recognised Deferred Tax Asset to the extent of Deferred Tax Liability.

Note 10 : Other non-current assets As at March 31, 2022 As at March 31, 2021

Advance to vendors for supply of capital assets 5,87,312 6,54,500

Advance income-tax including tax deducted at source 6,99,35,048 1,72,82,748

Total **7,05,22,360** **1,79,37,248**

Note 11 : Inventories As at March 31, 2022 As at March 31, 2021

Reagents 6,77,73,451 4,01,68,471

Consumables 61,80,333 19,08,211

Total **7,39,53,784** **4,20,76,682**

Note 12 : (i) Trade receivables As at March 31, 2022 As at March 31, 2021

Current

Considered good - Unsecured, undisputed 15,98,00,486 28,10,45,906

Considered doubtful - -

Less: Loss allowance - -

Net Trade receivables **15,98,00,486** **28,10,45,906**

Trade Receivables Aging Schedule As at March 31, 2022 As at March 31, 2021

Undisputed trade receivables- considered good

Outstanding for following periods from due date of payment

Unbilled 20,57,812

Not due **6,05,81,325** **5,11,69,162**

Less than 6 months 9,00,66,842 14,17,96,283

6 months - 1 year 67,825 8,80,80,461

1-2 years 70,26,682 -

2-3 years - -

More than 3 years - -

Total **15,98,00,486** **28,10,45,906**



Handwritten signature

Handwritten signature

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022

Note 13 : Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Balance with banks		
Current accounts	72,82,208	27,63,813
Fixed deposits	15,19,00,000	1,00,77,861
Cash-on-hand	3,86,443	2,29,712
Total	15,95,68,651	1,30,71,386
Note 14 : Other financial assets	As at March 31, 2022	As at March 31, 2021
<u>Current</u>		
Accrued interest on term deposits	34,85,665	6,78,678
Total	34,85,665	6,78,678
Note 15 : Other current assets	As at March 31, 2022	As at March 31, 2021
Other advances	3,57,560	2,24,049
Prepaid expenses	34,99,758	29,75,797
Advance to vendors for supply of capital assets	13,42,715	51,52,371
Advance given to creditors	54,79,446	4,82,060
Total	1,06,79,479	88,34,277
Note 16 : Borrowings	As at March 31, 2022	As at March 31, 2021
<u>Non current</u>		
Secured Term Loan		
From Banks	19,78,24,931	10,54,00,000
Total	19,78,24,931	10,54,00,000
Disclosure:		
The term loan from Axis Bank has been fully secured against movable fixed assets of the borrower and pari-passu first charge over the commercial landed property owned by DM Medcity Hospitals (India) Private Limited and Aster DM Healthcare Limited. The interest rate is 8% (linked to one year MCLR) and to be repaid 108 monthly instalments commencing after expiry of moratorium of 24 months.		
Note 17 : Provisions	As at March 31, 2022	As at March 31, 2021
Provision for gratuity (Refer note 37)	1,48,24,000.00	1,31,32,000.00
Total	1,48,24,000.00	1,31,32,000.00
Note 18 : Other non-current liabilities	As at March 31, 2022	As at March 31, 2021
Deferred Government grant (Duty concession under EPCG Scheme) IND AS 20	91,76,661	75,05,054
Security deposit payable	33,04,996	7,20,000
Total	1,24,81,657	82,25,054
Note 19 : (i) Borrowings	As at March 31, 2022	As at March 31, 2021
<u>Current</u>		
From Partner Company (Aster DM Healthcare Ltd) Refer Note:38	68,74,00,000	42,56,00,000
Loans repayable on demand (Secured)		
From banks:		
Working capital loan	4,12,12,599	-
Total	72,86,12,599	42,56,00,000



Handwritten signature.

Handwritten signature.

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022

Note 20 : (iii) Trade payables As at March 31, 2022 As at March 31, 2021

Trade Payable		
(a) Total outstanding dues of micro	12,68,043	13,40,334
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Other Creditors	4,97,31,185	4,77,73,588
Total	5,09,99,228	4,91,13,922

* Based on the information available with the LLP, there are 4 vendors who have been identified as micro small and medium enterprises based on the confirmations circulated and responses received by the management.

Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at 31 March 2022					
Micro, small and medium enterprises	12,68,043	-	-	-	12,68,043
Others	4,79,27,567	12,16,968	5,86,650	-	4,97,31,185
Total	4,91,95,610	12,16,968	5,86,650	-	5,09,99,228
Balance as at 31 March 2021					
Micro, small and medium enterprises	13,40,334	-	-	-	13,40,334
Others	4,58,54,232	19,19,356	-	-	4,77,73,588
Total	4,71,94,566	19,19,356	-	-	4,91,13,922

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

Particulars	As at March 31, 2022	As at March 31, 2021
	12,68,043	13,40,334
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made	-	-
The amount of interest due and payable for the period of delay in making payment (which	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until	-	-

Note 21 : (iv) Other financial liabilities As at March 31, 2022 As at March 31, 2021

Non Current		
Finance Lease Liability (On leases as per IND AS 116) **	23,58,23,102	16,14,81,483
Current		
Finance Lease Liability (On leases as per IND AS 116) **	2,31,86,121	1,11,30,882
Others		
Interest payable on loan from Partner	6,53,14,641	2,09,23,402
Due to creditors for capital goods	69,21,933	61,05,096
Current maturities of long term debt *	-	42,00,000
Retention money payable	20,97,814	23,50,583
Payable to related parties (Refer Note 38)	11,49,75,416	9,70,88,636
Total	18,93,09,804	13,06,87,717

*The repayment of loan will start after moratorium of 24 months.

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022

Note 21 : (iv) Other financial liabilities As at March 31, 2022 As at March 31, 2021

Leases

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended 31 March 2022 and 31 March 2021:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	17,26,12,365	7,41,02,560
Additions	9,69,98,714	10,10,70,436
Finance cost accrued during the period (refer Note 31)	1,75,58,394	1,37,34,764
Payment of lease liabilities	2,81,60,250	1,62,95,394
Closing balance	25,90,09,223	17,26,12,365
Non-current lease liabilities	23,58,23,102	16,14,81,483
Current lease liabilities	2,31,86,121	1,11,30,882

(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Less than one year	2,33,91,148	14,06,94,001
One to five years	27,50,22,622	20,09,79,198
More than five years	4,32,59,429	2,81,60,250
Total undiscounted lease liabilities	34,16,73,199	36,98,33,449

Note 22 : Provisions As at March 31, 2022 As at March 31, 2021

Provision for gratuity (Refer note 37)	7,55,000	6,39,000
Total	7,55,000	6,39,000

Note 23 : Other current liabilities As at March 31, 2022 As at March 31, 2021

Dues to statutory authorities	72,80,264	47,15,838
Advances received from debtors	2,70,179	1,43,612
Dues to employees	14,04,914	1,51,78,193
Other payables	1,46,537	42,696
Total	91,01,894	2,00,80,339



Handwritten signature

Handwritten signature

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022

Note 32 : Fixed Assets & Depreciation Schedule

(Amount in Rs.)

SLNo.	PARTICULARS	Gross Block				Accumulated Depreciation				Net Block		
		As at April 1, 2021	Additions during the Year	(Deletions) during the Year	As at March 31, 2022	As at April 1, 2021	Depreciation charge for the year	Amortisation	Deletion	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
I	Tangible Assets											
	Leasehold improvements	7,90,66,559	2,85,71,651	-	10,76,38,210	77,98,128	1,21,04,368			1,99,02,496	8,77,35,714	7,12,68,431
	Plant & Machinery	10,11,50,412	2,85,14,350	-	12,76,64,761	96,39,862	1,11,24,078			2,07,63,940	10,69,00,821	9,15,10,550
	Furniture & Fixtures	16,84,837	42,95,510	-	59,80,347	2,62,417	7,34,952			9,97,369	49,82,978	14,22,420
	Office Equipment	78,76,959	1,30,74,300	-	2,09,51,259	5,64,207	13,92,325			19,56,532	1,89,94,727	73,12,752
	Computers	94,94,598	1,08,56,167	2,19,120	2,01,31,645	22,56,039	48,81,603		72,639	70,65,003	1,30,66,642	72,38,559
	Total	19,92,73,365	8,33,11,978	2,19,120	28,23,66,223	2,05,20,653	3,02,37,326		72,639	5,06,85,340	23,16,80,883	17,87,52,712
II	EPCG Grant											
	EPCG Grant (IND AS Asset)	83,38,949	27,83,890	-	1,11,22,839	8,33,895	11,12,284			19,46,179	91,76,660	75,05,054
	Total	83,38,949	27,83,890	-	1,11,22,839	8,33,895	11,12,284			19,46,179	91,76,660	75,05,054
III	Capital Work in Progress(CWIP)											
	Tangible Assets	54,12,673	1,04,22,352	1,58,35,025	-	-	-			-	-	54,12,673
	Leasehold Improvements	70,37,916	1,70,14,721	70,37,916	1,70,14,721	-	-			-	1,70,14,721	70,37,916
	EPCG Grant - Ind AS	-	-	-	-	-	-			-	-	-
	Total	1,24,50,589	2,74,37,073	2,28,72,941	1,70,14,721	-	-			-	1,70,14,721	1,24,50,589
IV	Intangible Assets											
	Aster Labs - App Development	-	83,25,500	-	83,25,500	-	-	83,25,500	-	83,25,500	-	-
	Suvarna LIS Software	43,59,706	1,05,94,927	-	1,49,54,633	14,53,236	-	35,23,727	-	49,76,963	99,77,670	29,06,470
	Aster Labs - Website Development	8,59,040	-	-	8,59,040	1,42,781	-	2,86,347	-	4,29,128	4,29,912	7,16,259
	Total	52,18,746	1,89,20,427	-	2,41,39,173	15,96,017	-	1,21,35,574	-	1,37,31,591	1,04,07,582	36,22,729
V	Intangible Assets Under Development											
	Aster Labs - App Development *	46,97,000	36,28,500	83,25,500	-	-	-	-	-	-	-	46,97,000
	Other Intangible asset under development	-	4,37,800	-	4,37,800	-	-	-	-	-	4,37,800	-
	Total	46,97,000	40,66,300	83,25,500	4,37,800	-	-	-	-	-	4,37,800	46,97,000
V	Right to use assets	17,61,75,588	9,89,98,714	-	27,31,74,302	2,05,41,031	2,73,32,204			4,78,73,235	22,53,01,067	15,56,34,557
	Right to use assets (Prepaid rent) **	67,41,383	45,59,784	-	1,13,01,167	8,86,430	14,86,410			23,52,840	89,48,327	58,54,953
	Total	18,29,16,971	10,15,58,498	-	28,44,75,469	2,14,27,461	2,87,98,514		-	5,02,26,075	23,42,49,394	16,14,89,510
	GRAND TOTAL	41,28,95,620	23,80,78,166	3,14,17,561	61,95,56,225	4,43,78,026	6,01,48,224	1,21,35,574	72,639	11,65,89,185	50,29,67,040	36,85,17,594

*During the year, the LLP has revised the useful lives of Mobile App- MphRx from 5 years to 1 year. Had the LLP continued with the erstwhile useful lives, the charge to depreciation and amortization expense would have been lower by INR 66 Lakhs for year ended March 31, 2022. The impact is INR 83 lakhs during the year.

** The Deferred lease commitments has been reclassified to Right to use asset (Prepaid rent) and consequently the accumulated depreciation has been calculated for current and previous year.



[Handwritten signature]

[Handwritten signature]

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022 (Contd)

	(Amount in Rs.)	
Note 24 : Revenue from operations	For the year ended March 31,2022	For the year ended March 31,2021
Revenue from laboratory and other services	88,92,85,857	39,36,67,494
Total	88,92,85,857	39,36,67,494
Note 25 : Other income	For the year ended March 31,2022	For the year ended March 31,2021
Interest income on bank deposits	31,15,861	6,55,772
Interest on lease deposits	15,47,309	5,23,223
Grant Income - EPCG	11,12,284	8,33,895
Interest on IT Refund	-	1,965
Revenue for Blood Storage	-	63,341
Net foreign exchange gain/(loss)	8,10,954	-
Others	1,50,542	-
Total	67,36,950	20,78,196

- i The Foreign Exchange Gain (Net) recognised as per IND AS 21 in the Statement of Profit and Loss during the year is Rs.8,10,954 on account of recognition of exchange rate fluctuation Gain for the Trade Receivables amount to Rs.11,74,896 and loss on account of Trade payables amounting to Rs.3,63,942.

Note 26 : Purchases	For the year ended March 31,2022	For the year ended March 31,2021
Purchases	59,41,91,211	31,25,57,477
Total	59,41,91,211	31,25,57,477

Note 27 : Changes in inventories	For the year ended March 31,2022	For the year ended March 31,2021
Opening Stock	4,20,76,682	-
Closing Stock	7,39,53,784	4,20,76,682
Total	(3,18,77,102)	(4,20,76,682)

Note 28 : Professional fees to consultant doctors	For the year ended March 31,2022	For the year ended March 31,2021
Professional fees to consultant doctors	8,91,25,374	5,45,55,365
Total	8,91,25,374	5,45,55,365

Note 29 : Laboratory outsourcing charges	For the year ended March 31,2022	For the year ended March 31,2021
Lab outsourcing charges	1,47,38,555	67,97,548
Total	1,47,38,555	67,97,548

Note 30 : Employee benefit expenses	For the year ended March 31,2022	For the year ended March 31,2021
Salaries and wages	16,16,96,938	7,25,61,594
Contribution to Provident and other funds	88,96,923	43,87,911
Defined benefit plans (Refer Note 37)	45,88,080	56,19,861
Staff welfare expenses	55,04,554	5,92,183
Total	18,06,86,495	8,31,61,549

Note 31 : Finance costs	For the year ended March 31,2022	For the year ended March 31,2021
Interest on Borrowings from Partner Company (Aster DM Healthcare Ltd)	4,63,79,225	2,26,19,894
Interest on lease liabilities	1,75,58,394	1,37,34,764
Interest on term loan	1,14,02,594	55,82,511
Interest on bank overdrafts	7,49,879	-
Total	7,60,90,092	4,19,37,169



Handwritten signature

Handwritten signature

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022 (Contd)

Note 33 : Other expenses	For the year ended March 31,2022	For the year ended March 31,2021
Rent *	1,39,97,650	1,06,80,144
Repairs and maintenance	71,14,287	18,79,005
Processing Fee and Stamp duty charges	33,53,494	14,73,150
Bio Medical Wastage discharge Charges	9,23,703	9,81,541
Insurance	17,90,530	9,16,946
Bank charges	6,39,744	2,54,453
Communication expenses	39,71,863	14,10,032
Manpower hiring expenses	4,34,33,153	1,33,39,915
Legal and Professional Charges	34,13,856	22,16,520
Auditors remuneration (Refer Note 34)	5,90,000	3,00,000
Logistics expenses	3,49,32,817	1,58,94,957
Miscellaneous expenses	1,09,176	5,95,128
Office administration expenses	1,03,42,186	53,91,873
Power and fuel	1,04,91,917	55,68,609
Rates and taxes	49,43,880	10,15,784
Branding and advertisement	2,23,42,735	1,33,36,574
Travelling expenses	58,59,437	9,91,373
Other establishment expenses	34,81,224	11,82,428
Total	17,17,31,653	7,74,28,433

i Rent includes operating lease charges paid on Machinery Rs.1,13,09,734 for short term lease and IT Server rent paid Rs.13,21,866

Note 34 : Payment to Auditors	For the year ended March 31,2022	For the year ended March 31,2021
As Auditor		
Statutory Audit Fees	4,72,000	3,00,000
Tax Audit Fees	1,18,000	-
Limited Review Fees	-	-
In Other Capacity		
Taxation matters	-	-
Company Law matters	-	-
Certification matters	-	-
Reimbursement of Expenses	-	-

Note 35 : Fair Values of Financial Assets and Liabilities

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, regardless of whether that price is directly observable or estimated using another valuation technique. The carrying amounts of trade payables, capital creditors, advances paid, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short term nature. Lease deposits which are advanced as security deposits to landlords for the premises which are taken on lease have been measured at its respective fair values by amortising the cost using an effective interest rate determined on the basis of estimated cash flows as prescribed in Ind As 109.



Handwritten signature.

Handwritten signature.

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022 (Contd)

Note 36 : Financial Risk Management Objectives and Policies

- i The LLP's principal financial liabilities, comprise of borrowings from Partner Company, term loans and working capital loans from bank, trade and other payables. The main purpose of these financial liabilities is to finance and support the LLP's operations. The LLP's principal financial assets include advances to vendors, inventories, receivables, and cash and cash equivalents. The LLP is exposed to market risk, credit risk and liquidity risk. The LLP's senior management oversees the management of these risks. The LLP's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the LLP.
- ii The LLP has a Risk Management Committee established by its Partner Company for overseeing the Risk Management Framework and developing and monitoring the LLP's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitoring the risks and their limits as well as improving risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the LLP's activities to provide reliable information to the management to evaluate the adequacy of the risk management framework in relation to the risk faced by the LLP.
The risk management policies aims to mitigate the following risks arising from the financial instruments:

A Foreign Currency Risk

The LLP's functional currency is Indian Rupees (INR). If the LLP undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the LLP's costs of imports, primarily in relation to import of Capital Equipments. The LLP is exposed to exchange rate risk under its import of Capital Goods portfolio. Adverse movements in the exchange rate between the Rupee and any relevant foreign currency results in increase in the LLP's overall debt position in Rupee terms without the LLP having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the LLP's payables in foreign currency.

B Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the LLP. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness. The LLP has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Customer credit risk will be managed centrally by the LLP and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment. Credit risk on receivables is also mitigated by securing the same against letters of credit and guarantees of reputed nationalised and private sector banks.

C Liquidity Risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The LLP requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The LLP will generate sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments should provide liquidity in the short-term and long term. The LLP has established an appropriate liquidity risk management framework for the management of the LLP's short, medium and long-term funding and liquidity management requirements. The LLP proposes to manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.



ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022 (Contd)

Note 37 : Employee Benefit Obligation	For the year ended March 31, 2022	For the year ended March 31, 2021
A Total employee Benefits Obligation		
Contribution to Provident Fund	16,23,462	13,55,266
Defined Benefit Plan - Gratuity - As per Actuarial Valuation	1,55,79,000	1,37,71,000
Total	1,72,02,462	1,51,26,266
B Reconciliation of Defined Benefit Obligation		
Defined Benefit obligation at beginning of year	1,37,71,000	3,43,000.00
Current Service Cost	36,73,000	32,00,000
Interest Cost	9,15,000	5,38,000
Actuarial Loss/ (Gain) from changes in demographic assumptions	-	(6,30,000)
Actuarial Loss/ (Gain) from changes in financial assumptions	(6,90,000)	(1,42,000)
Actuarial Loss/ (Gain) from experience over the past year	(12,55,000)	26,54,000
Transfer In/ (Out)	(1,17,000)	78,08,000
Benefits paid	(7,18,000)	-
Total *	1,55,79,000	1,37,71,000
Current and Non Current obligation*		
Current	1,48,24,000	1,31,32,000
Non Current	7,55,000	6,39,000
C Reconciliation of Fair Value of Plan Assets		
Fair value of plan assets at the end of the year	-	-
D Expenses recognized in the Profit and Loss Account		
Current Service Cost	36,73,000	32,00,000
Net Interest Cost	9,15,000	5,38,000
Total	45,88,000	37,38,000
E Net Liability (Asset) recognized in the Balance Sheet		
Present Value of DBO	1,55,79,000	1,37,71,000
Fair value of plan assets at the end of the year	-	-
Liability (Asset) taken to Balance Sheet	1,55,79,000	1,37,71,000
F Actuarial Assumptions		
Salary Growth Rate	7%	7%
Discount Rate	7%	7%
Withdrawal Rate	6%	2%
Interest Rate in Net DBO	7%	NA
Mortality Rate	IALM 2012-14 (Ult)	IALM 2012-14 (Ult)
Expected Weighted Average duration of obligation	10 years	10 years
G Movement in Other Comprehensive Income		
Balance at start of year (Loss)/ Gain		
Re-measurements on DBO		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	6,30,000.00
b. Actuarial (Loss)/ Gain from changes in financial assumptions	(6,90,000)	1,42,000.00
c. Actuarial (Loss)/ Gain from experience over the past year	(12,55,000)	(26,54,000.00)
Return on Plan Assets, Excluding Interest Income	-	-
Past Service Cost	-	-
Net (Income)/Expense For the year	(19,45,000)	(18,82,000)
Recognized in Other Comprehensive Income		

1



Handwritten signature.

Handwritten signature.

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022 (Contd)

Note 38 : Related Party Transactions

A Name of the related party where transactions have taken place during the year

Name of the Party	Relationship
Aster DM Healthcare Ltd.	Partner Company
Ambady Infrastructure Private Limited	Partner Company
Aster DM Healthcare FZC	Entities under common control
Aster DM Healthcare LLC	Entities under common control
Medcare Hospital LLC	Entities under common control
Radiant Healthcare LLC	Entities under common control
Malabar Institute of Medical Sciences Limited	Entities under common control
Sri Sainatha Multispeciality Hospitals P Ltd	Entities under common control
MIMS Research Foundation Trust	Stepdown Subsidiary

B Transactions with related parties during the year

Name of the Party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Aster DM Healthcare Ltd.	Loans received	18,00,00,000	31,73,00,000
Aster DM Healthcare Ltd.	Service Income	39,70,02,896	22,59,79,509
Aster DM Healthcare Ltd.	Income for Blood Storage	-	63,341
Aster DM Healthcare Ltd.	Interest on Loan	4,63,79,225	2,26,19,894
Aster DM Healthcare Ltd.	Lab Consumption (Purchases)	4,39,73,250	3,63,10,144
Aster DM Healthcare Ltd.	Guarantee Commission on Term loan	7,92,747	3,57,505
Aster DM Healthcare Ltd.	IT Support Services Received	-	15,81,330
Aster DM Healthcare Ltd.	Gratuity Receivable	15,79,000	16,95,787
Aster DM Healthcare Ltd.	Telemedicine services received	44,579	6,65,088
Aster DM Healthcare Ltd.	Expense Reimbursements Payable	33,84,752	36,11,981
Aster DM Healthcare Ltd.	Other Payments	25,648	-
Aster DM Healthcare Ltd.	Employee related expense	54,68,006	-
Ambady Infrastructure Private Limited	Guarantee Commission on Term loan	717	303
Malabar Institute of Medical Sciences Limited	Service Income	24,56,81,558	6,80,99,718
Malabar Institute of Medical Sciences Limited	Lab Consumption (Purchases)	10,22,96,901	5,24,76,189
Malabar Institute of Medical Sciences Limited	Employee related expense	85,738	-
Malabar Institute of Medical Sciences Limited	Gratuity Receivable	60,02,345	60,66,812
Malabar Institute of Medical Sciences Limited	Expense Reimbursements Payable	9,279	74,058
Malabar Institute of Medical Sciences Limited	Other Payments	14,15,92,771	-
Sri Sainatha Multispeciality Hospitals P Ltd	Service Income	1,67,91,979	67,71,088
Sri Sainatha Multispeciality Hospitals P Ltd	Lab Consumption (Purchases)	11,21,028	24,81,695
Sri Sainatha Multispeciality Hospitals P Ltd	Gratuity Receivable	-	45,540
Aster DM Healthcare FZC	Service Income	3,10,70,620	1,01,56,829
Aster DM Healthcare FZC	Lab Consumption (Purchases)	73,52,553	35,30,422
Aster DM Healthcare LLC	Service Income	1,37,32,458	42,47,122
Medcare Hospital LLC	Service Income	3,92,60,447	88,76,864
Radiant Healthcare LLC	Service Income	2,80,570	-
MIMS Research Foundation Trust	Service Income	22,58,826	-



Handwritten signature

Handwritten signature

ASTER CLINICAL LAB LLP

Accompanying notes to the financial statements for the year ended March 31, 2022 (Contd)

Note 38 : Related Party Transactions (Contd)

C Outstanding Balances as on March 31, 2021

Name of Party	Receivable / Payable	As at March 31, 2022	As at March 31, 2020
Aster DM Healthcare Ltd.	Payable	16,60,80,021	49,46,92,147
Aster DM Healthcare Ltd.	Opex Loan	68,74,00,000	18,09,09,110.00
Aster DM Healthcare Ltd.	Payable	7,58,55,387	303.00
Ambady Infrastructure Private Limited	Payable	1,020	
Aster DM Healthcare FZC	Receivable	1,62,25,340	61,56,829
Aster DM Healthcare FZC	Payable	60,68,763	33,96,150
Aster DM Healthcare LLC	Receivable	57,09,630	30,02,850
Medcare Hospital LLC	Receivable	1,22,66,389	88,76,864
Radiant Healthcare LLC	Receivable	1,52,390	
Malabar Institute of Medical Sciences Limited	Receivable	3,40,03,190	6,50,25,847
Malabar Institute of Medical Sciences Limited	Payable	1,32,77,867	4,64,83,433
Sri Sainatha Multispeciality Hospitals P Ltd	Receivable	8,64,475	34,11,923
Sri Sainatha Multispeciality Hospitals P Ltd	Payable	2,90,822	24,36,155
Dr Moopens Healthcare Management Services	Payable	17,88,966	-
MIMS Research Foundation Trust	Receivable	24,39,533	-

Note 39 : Capital Management

For the purpose of the LLP's capital management, capital consists of Partners' capital brought in. The primary objective of the LLP's capital management policy is to maximise the Partners' capital value.

The LLP manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the LLP may adjust the interest payment to partners on capital, or issue of additional capital. The LLP monitors capital using a gearing ratio. The LLP includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars of Net Debt and Capital	As at March 31, 2022	As at March 31, 2021
Long term borrowings	19,78,24,931	10,54,00,000
Current maturities of long term debt	-	42,00,000
Short Term Borrowings	72,86,12,599	42,56,00,000
Less: Cash and Cash Equivalent	(15,95,68,651)	(1,30,71,386)
Net Debt	76,68,68,878	52,21,28,614
Total Capital	1,00,10,000	1,00,10,000
Gearing Ratio	1.31%	1.83%

In order to achieve this overall objective, the LLP's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

Note 40 : Contingent Liabilities

	As at March 31, 2022	As at March 31, 2021
Estimated amounts of contracts remaining to be executed on capital account	30,12,764	32,87,146

In terms of our report of even date

For K.Rangamani and Associates LLP

Chartered Accountants

Firm Registration No.S20078

Ganesh Ramaswamy

Partner

Membership No. 27823

UDIN: 22027823AJVQZD2216

Place: *Bengaluru*

Date: *23/05/2022*



For Aster Clinical Lab LLP

Sunil Kumar M R

Designated Partner

DIN 09045676

Place:

Date:

Abdul Salam Ameeralli

Designated Partner

DIN 08091822