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, 2025, 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, 2025, 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 performthe 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.

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682016

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, 2025, has been prepared for the specific purpose of consolidation of these financial statement with the parent company. These IND AS financial statements are not meant for general users, though this IND AS financials is 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 2025, 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 itappears 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 complywith 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)

K. RANGAMANI AND ASSOCIATES LLP
KOCHI
682016

Ganesh Ramaswamy
Partner
ICAI Mem. No. 27823
UDIN- 25027823BMHMUX7459
Bengaluru
Date: 7/5/2025

"Annexure A" to the Independent Auditors' Report of even date on the financial statements of Aster Clinical Lab LLP for the year ended 31st March 2025.

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, 2025, 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 ofinternal 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 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 financialcontrols 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 ouraudit 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.

K. RANGAMANI AND ASSOCIATES LLP ★ KOCHI 682016

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 errors 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 ofcompliance 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, 2025, 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)

K. RANGAMANI AND ASSOCIATES LLP ★ KOCHI 682016

Ganesh Ramaswamy
Partner
ICAI Mem. No. 27823
UDIN 25027823BMHMUX7459
Bengaluru
Date: 7/5/2025

ASTER CLINICAL LAB LLP
Balance Sheet as at March 31, 2025

(Amount in Rs.)

Particulars	Note No	As at March 31, 2025	As at March 31, 2024
I Assets			
Non-Current Assets			
a) Property, plant and equipment	3	17,97,17,212	21,73,72,045
b) Right-of-use assets	4	8,96,94,994	12,58,83,879
d) Other intangible assets	5	44,67,369	73,28,649
e) Intangible assets under development	6	-	1,06,200
f) Financial Assets			
g) Other financial assets	7	3,39,06,364	3,27,22,623
h) Income tax assets (net)	8	5,17,14,840	8,93,78,966
i) Other non-current assets (net)	9	5,94,852	6,00,457
Total non-current assets		**36,00,95,631**	**47,33,92,819**
Current Assets			
a) Inventories	10	9,33,46,105	10,18,40,090
b) Financial assets			
(i) Trade receivables	11	9,86,12,106	9,59,94,978
(ii) Cash and bank balances	12	50,06,652	27,80,337
(iii) Other financial assets		-	-
c) Other current assets	13	88,34,204	1,31,62,746
Total current assets		**20,57,99,067**	**21,37,78,151**
Total assets		**56,58,94,698**	**68,71,70,970**
II. Equity and liabilities			
Equity			
a) Partners' capital accounts	SOCE	1,00,10,000	1,00,10,000
b) Partners' current accounts	SOCE	(1,27,34,38,932)	(1,18,82,66,098)
Total equity		**(1,26,34,28,932)**	**(1,17,82,56,098)**
Liabilities			
Non-current Liabilities			
a) Financial liabilities			
(i) Borrowings	14	18,90,74,931	23,40,74,931
(ii) Lease liabilities	19	9,95,74,474	14,11,83,809
b) Provisions	15	1,93,96,000	1,53,27,000
c) Other non-current liabilities	16	1,52,06,963	1,42,57,186
Total non-current liabilities		**32,32,52,368**	**40,48,42,926**
Current Liabilities			
a) Financial liabilities			
(i) Borrowings	17	95,27,71,892	85,44,24,040
(ii) Lease liabilities	19	3,39,91,788	2,84,87,029
(iii)Trade payables	18		
-Total outstanding dues of micro and small enterprises		81,66,537	70,89,451
-Total outstanding dues of creditors other than micro and small enterprises		11,41,18,112	13,91,95,164
(iv) Other financial liabilities	19	33,83,01,269	36,01,68,230
b) Provisions	20	2,40,19,689	2,82,06,485
c) Other current liabilities	21	3,47,01,976	4,30,13,743
Total current liabilities		**1,50,60,71,263**	**1,46,05,84,142**
Total liabilities		**1,82,93,23,631**	**1,86,54,27,068**
Total equity and liabilities		**56,58,94,698**	**68,71,70,970**

See accompanying notes to the financial statements

In terms of our report of even date

For K.Rangamani and Associates LLP
Chartered Accountants
Firm Registration No.S200078

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682016

Ganesh Ramaswamy
Partner
Membership No. 027823
UDIN: 25027823BMHWUX7459
Place: Bangalore
Date: 07-05-2025

For Aster Clinical Lab LLP
LLIN- AAP-8163

Sunil Kumar M R
Designated Partner
DIN 09045676
Place: Bangalore
Date: 07-05-2025

Abdul Salam Ameerali
Designated Partner
DIN 08091822
Place: Kochi
Date: 07-05-2025

ASTER CLINICAL LAB LLP *KOCHI*

ASTER CLINICAL LAB LLP

Statement of Profit and Loss for the year ended March 31, 2025

(Amount in Rs.)

Sl. no.	Particulars	Note No	For the year ended March 31, 2025	For the year ended March 31, 2024
I.	Revenue from operations	22	1,32,19,45,503	1,18,38,33,368
II.	Other income	23	1,15,93,959	1,09,60,117
III.	**Total income (I + II)**		**1,33,35,39,462**	**1,19,47,93,485**
IV.	Expenses			
(a)	Purchases of stock in trade	24	57,01,68,719	60,92,95,133
(b)	Changes in inventories	25	84,93,985	(70,05,402)
(c)	Professional fees to consultant doctors	26	10,21,09,135	10,07,45,423
(d)	Laboratory outsourcing charges	27	5,72,98,141	4,50,69,175
(c)	Employee benefits expense	28	25,77,25,492	27,00,59,692
(d)	Finance costs	29	12,33,18,509	12,37,97,994
(e)	Depreciation and amortization expenses	30	7,29,63,168	8,40,81,940
(f)	Other expenses	31	22,52,13,147	25,51,50,182
	Total expenses (IV)		**1,41,72,90,296**	**1,48,11,94,137**
V.	**Loss before tax (III - IV)**		**(8,37,50,834)**	**(28,64,00,652)**
VI.	**Tax expense**			
(i)	Current tax		-	-
(ii)	Deferred tax	8	-	-
	Total tax expense		**-**	**-**
VII.	**Profit(loss) for the year (V - VI)**		**(8,37,50,834)**	**(28,64,00,652)**
VIII.	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement loss in defined benefit plans		(14,22,000)	(4,32,000)
	(b) Income tax relating to items that will not be reclassified to profit and loss		-	-
IX.	**Total comprehensive loss for the year (VII-VIII)**		**(8,51,72,834)**	**(28,68,32,652)**
X.	**Total comprehensive loss for the year divided among partners:**			
	Aster DM Healthcare Limited (Aster DMHL)	99.90%	**(8,36,67,083)**	**(28,65,45,819)**
	Ambady Infrastructure Private Limited (Ambady IPL)	0.10%	**(83,751)**	**(2,86,833)**

Accompanying notes are an integral part of the standalone financial statements

In terms of our report of even date
For K.Rangamani and Associates LLP
Chartered Accountants
Firm Registration No.S200078

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682016

Ganesh Ramaswamy
Partner
Membership No. 027823
UDIN: 25027823BMHWVX7459
Place: Bangalore
Date: 07-05-2025

For Aster Clinical Lab LLP
LLIN- AAP-8163

Sunil Kumar M R
Designated Partner
DIN 09045676
Place: Bangalore
Date: 07-05-2025

Abdul Salam Ameerali
Designated Partner
DIN 08091822
Place: Kochi
Date: 07-05-2025

ASTER CLINICAL LAB LLP *KOCHI*

ASTER CLINICAL LAB LLP

Cash Flow Statement for the year ended March 31, 2025

(Amount in Rs.)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash Flow from Operating Activities		
Profit / (Loss) before tax	**(8,37,50,834)**	**(28,68,32,652)**
Adjustments for:		
Depreciation and amortization expenses	7,29,63,168	8,40,81,940
Finance Costs recognized in profit and loss	12,33,18,509	12,10,05,294
Interest income	(61,65,194)	(8,54,038)
Others	(5,61,170)	-
Operating Profit before Working Capital changes	**10,58,04,479**	**(8,25,99,456)**
Movements in Working Capital		
(Increase) / decrease in inventories	84,93,985	(70,05,402)
(Increase) / decrease in trade receivables	(31,32,858)	8,11,87,824
(Increase) / decrease in other assets	50,95,192	(4,63,64,330)
Increase/(decrease) in trade payable	(2,39,99,966)	6,84,14,585
Increase/(decrease) in other liabilities	(9,08,52,719)	12,78,18,360
Increase/(decrease) in provisions	(15,39,796)	(4,60,563)
Cash generated form operations	**(1,31,683)**	**14,09,91,018**
(Income tax Paid) / Income tax refund received	4,17,76,130	-
Net Cash inflow from/ (outflow) from Operating activities	**4,16,44,447**	**14,09,91,018**
B. Cash Flow from Investing Activities		
Purchases of property, plant and equipment	(48,91,956)	(5,47,75,721)
Proceeds on disposal of property, plant and equipment	2,57,475	1,31,08,061
Interest received	1,02,799	8,54,038
Net Cash inflow from/ (outflow) from Investing activities	**(45,31,682)**	**(4,08,13,622)**
C. Cash Flow from Financing Activities		
Repayments from long term borrowings	5,33,47,852	(2,29,95,938)
Increase/(decrease) in short term borrowings (net)	-	4,10,58,212
Payment of lease liabilities	(3,99,03,213)	39,25,483
Interest paid	(4,83,31,087)	(12,10,05,294)
Net Cash inflow from/ (outflow) from Financing activities	**(3,48,86,448)**	**(9,90,17,537)**
Net increase / (decrease) in cash and cash equivalents	**22,26,317**	**11,59,859**
Opening Cash and Cash Equivalents		
Cash in hand	11,42,740	4,20,233
Bank balances	16,37,597	12,00,245
Closing Cash and Cash Equivalents		
Cash in hand	9,59,864	11,42,740
Bank balances	40,46,788	16,37,597

In terms of our report of even date
For K.Rangamani and Associates LLP
Chartered Accountants
Firm Registration No.S200078

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682018

Ganesh Ramaswamy
Partner
Membership No. 027823
UDIN: 25027823BMHWUX7459
Place: Banaglore
Date: 07-05-2025

For Aster Clinical Lab LLP
LLIN- AAP-8163

Sunil Kumar M R	**Abdul Salam Ameerali**
Designated Partner	Designated Partner
DIN 09045676	DIN 08091822
Place: Bangalore	Place: Kochi
Date: 07-05-2025	Date: 07-05-2025

ASTER CLINICAL LAB LLP *KOCHI*

ASTER CLINICAL LAB LLP

Statement of Changes in Equity for the year ended March 31, 2025

(Amount in Rs.)

Particulars	Aster DMHL	Ambady IPL	Total
A. Partner's Capital Account			
As at April 1, 2024	1,00,00,000	10,000	1,00,10,000
Changes in Partner's Capital during the year	-	-	-
As at March 31, 2025	**1,00,00,000**	**10,000**	**1,00,10,000**
B. Partner's Current Account			
As at April 1, 2024	(1,18,70,77,832)	(11,88,266)	(1,18,82,66,098)
Credits during the year	(8,36,67,083)	(83,751)	(8,37,50,834)
Remuneration during the year	-	-	-
Interest on Capital during the year	-	-	-
Drawings during the year	-	-	-
Share of total comprehensive income for the year	(14,20,578)	(1,422)	(14,22,000)
As at March 31, 2025	**(1,27,21,65,493)**	**(12,73,439)**	**(1,27,34,38,932)**

In terms of our report of even date
For K.Rangamani and Associates LLP
Chartered Accountants
Firm Registration No.S200078

Ganesh Ramaswamy
Partner
Membership No. 027823
UDIN: 25027823BMHWUX7459
Place: Banaglore
Date: 07-05-2025

For Aster Clinical Lab LLP
LLIN- AAP-8163

Sunil Kumar M R
Designated Partner
DIN 09045676
Place: Bangalore
Date: 07-05-2025

Abdul Salam Ameerali
Designated Partner
DIN 08091822
Place: Kochi
Date: 07-05-2025

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 Ameerali 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 : Material 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 2025, the Statement of Profit and Loss for the year ended 31 March 2025, the Statement of Cash Flows for the year ended 31 March 2025, 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 year, as explained in the accounting policies below.

The accounting policies have been applied consistently over all the years 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

In 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.

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 property, plant and equipment.

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.

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682016

ASTER CLINICAL LAB LLP KOCHI

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 year 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 yearically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

2.6 Leases (Continued)

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;
– Amounts expected to be payable under a residual value guarantee; and
– The exercise price under a purchase option that the LLP is reasonably certain to exercise, lease payments in an optional renewal year if the LLP is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the LLP is reasonably certain not to terminate early.

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 year, 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 year, 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 year 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 lease term.

K. RANGAMANI AND ASSOCIATES LLP
KOCHI
682016

ASTER CLINICAL LAB LLP
KOCHI

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.

(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 year 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 year less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year 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 past service cost.

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 year on government bonds that have terms approximating to the terms of the related obligation.

Service and interest cost on the LLPs 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 exchange rates ruling at the date of the transaction.

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 comprehensive income.

K. RANGAMANI AND ASSOCIATES LLP ★ KOCHI 682016

ASTER CLINICAL LAB LLP ★ KOCHI ★

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year 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 year 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 borrowing becomes part of the funds that entity borrows generally.

2.11 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 yearically 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.

2.11 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 is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax assets are recognised for carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profit will be available against which such losses and credits can be utilised. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

2.12 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 year in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

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 derecognized 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.

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682016

ASTER CLINICAL LAB LLP KOCHI

2.13 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 year of commissioning has been completed. Revenue generated from production during the trial year is credited to capital work in progress.

2.14 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 technological changes, manufacturers warranties and maintenance support, etc.

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

2.15 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 criteria are satisfied:

- 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 use.

2.16 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 year 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.

2.17 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.

K RANGAMANI AND ASSOCIATES LLP ★ KOCHI 682016

ASTER CLINICAL LAB LLP ★ KOCHI ★

2.18 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.

2.19 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.

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.

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682016

ASTER CLINICAL LAB LLP KOCHI

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 year, 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 year 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 timely basis.

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.

K RANGAMANI AND ASSOCIATES LLP KOCHI 682016

ASTER CLINICAL LAB LLP KOCHI

2.20 Financial instruments (Contd)

B) Financial liabilities (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 years 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.

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 transfer the liability takes place either:

- 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.

2.22 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.

2.23 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.

2.24 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.

K. RANGAMANI AND ASSOCIATES LLP
KOCHI
682016

ASTER CLINICAL LAB LLP
KOCHI

Notes forming part of the finanical statements for the year ended March 31, 2025

Note 30 : Property, plant & equipment and Intangible assets

(Amount in Rs.)

Sl.No.	PARTICULARS	Gross Block				Accumulated Depreciation				Net Block	
		As at April 1, 2024	Additions during the Year	(Deletions) during the Year	As at March 31, 2025	As at April 1, 2024	Depreciation/ amortisation charge for the year	Deletion	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
	Owned Assets										
I	**Property, plant and equipment**										
	Leasehold improvements	12,29,16,387	7,87,147	(39,94,875)	11,97,08,659	4,78,42,156	1,50,28,520	(11,79,516)	6,16,91,160	5,80,17,499	7,50,74,231
	Plant & Machinery	15,48,33,759	35,49,041	-	15,83,82,800	5,05,84,027	1,62,06,469	-	6,67,90,496	9,15,92,304	10,42,49,732
	Furniture & Fixtures	1,06,56,564	66,601	-	1,07,23,165	47,87,232	20,31,232	-	68,18,464	39,04,701	58,69,332
	Office Equipment	2,64,61,330	15,05,030	(1,97,843)	2,77,68,517	68,66,372	27,36,915	(84,436)	95,18,851	1,82,49,666	1,95,94,958
	Computers	2,68,16,272	1,13,339	-	2,69,29,611	2,11,84,573	36,31,805	-	2,48,16,378	21,13,233	56,31,699
	Total	**34,16,84,312**	**60,21,158**	**(41,92,718)**	**34,35,12,752**	**13,12,64,360**	**3,96,34,941**	**(12,63,952)**	**16,96,35,349**	**17,38,77,403**	**21,04,19,952**
II	**EPCG Grant**										
	EPCG Grant (IND AS Asset)	1,11,22,839	-	-	1,11,22,839	41,70,747	11,12,284		52,83,031	58,39,808	69,52,092
	Total	**1,11,22,839**	**-**	**-**	**1,11,22,839**	**41,70,747**	**11,12,284**		**52,83,031**	**58,39,808**	**69,52,092**
IIII	**Capital Work In Progress(CWIP)**										
	Tangible Assets	-	-	-	-	-	-		-	-	-
	Leasehold Improvements	-			-	-	-		-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**
	Owned Assets										
IV	**Intangible Assets**										
	Suvarna LIS Software	2,10,82,253	11,90,620		2,22,72,873	1,49,70,323	36,37,346		1,86,07,669	36,65,204	61,11,930
	Aster Labs - Website Development	20,39,040	-		20,39,040	9,54,949	3,93,334		13,48,283	6,90,757	10,84,091
	Phlebo App	-	1,06,200		1,06,200	-	33,266		33,266	72,934	-
	Covid registration software	2,72,600	-		2,72,600	1,87,672	68,129		2,55,801	16,799	84,928
	Fixed assets software	82,600	-		82,600	34,900	26,025		60,925	21,675	47,700
	Total	**2,34,76,493**	**12,96,820**	**-**	**2,47,73,313**	**1,61,47,844**	**41,58,100**	**-**	**2,03,05,944**	**44,67,369**	**73,28,649**
V	**Intangible Assets Under Development**										
	Phlebo app	1,06,200		(1,06,200)	-	-	-		-	-	1,06,200
	Aster Labs - Website Development	-	-	-	-	-			-	-	-
	Total	**1,06,200**	**-**	**(1,06,200)**	**-**	**-**	**-**	**-**	**-**	**-**	**1,06,200**
VI	**Right to use assets**	21,91,38,865	-	(1,11,74,312)	20,79,64,553	9,77,78,572	2,70,20,783	(32,53,147)	12,15,46,208	8,64,18,345	12,13,60,293
	Right to use assets (Prepaid rent) **	86,15,679		(3,67,536)	82,48,143	40,92,093	10,37,060	(1,57,659)	49,71,494	32,76,649	45,23,586
	Total	**22,77,54,544**	**-**	**(1,15,41,848)**	**21,62,12,696**	**10,18,70,665**	**2,80,57,843**	**(34,10,806)**	**12,65,17,702**	**8,96,94,994**	**12,58,83,879**
	GRAND TOTAL	**60,41,44,388**	**73,17,978**	**(1,58,40,766)**	**59,56,21,600**	**25,34,53,615**	**7,29,63,168**	**(46,74,758)**	**32,17,42,025**	**27,38,79,574**	**35,06,90,773**

K RANGAMANI AND ASSOCIATES LLP * KOCHI 682016

ASTER CLINICAL LAB LLP * KOCHI *

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 3 : Property, plant and equipment

Particulars	As at March 31, 2025	As at March 31,2024
- Property,plant and equipment		
Leasehold improvements (Refer Note:30)	5,80,17,499	7,50,74,231
Plant and machinery (Refer note:30)	9,15,92,304	10,42,49,732
Furniture and fixtures (Refer note:30)	39,04,701	58,69,332
Office equipment (Refer note:30)	1,82,49,666	1,95,94,958
Computers (Refer Note:30)	21,13,233	56,31,699
- EPCG Grant		
EPCG Grant (Refer Note:30)	58,39,808	69,52,093
Total	**17,97,17,212**	**21,73,72,045**

Note 4 : Right-of-use assets

Particulars	As at March 31, 2025	As at March 31,2024
(Refer Note:30)		
Additions to Right of use assets		
A. Carrying value of Right to use assets at the end of the reporting year		
Balance as at beginning of the year	12,58,83,879	20,44,49,451
Value of Right to use assets determined during the year	-	-
Value of assets derecognised during the year	1,15,41,848	6,33,08,781
Depreciation charge for the year (Refer Note 30)	2,80,57,843	3,47,68,622
Accumulated depreciation reversed for the year	34,10,806	1,95,11,831
Balance as at the end of the year	**8,96,94,994**	**12,58,83,879**
B. Amounts recognized in the Statement of Profit and Loss		
Interest on lease liabilities (Refer Note 29)	1,27,96,702	1,76,04,283
Depreciation charge for the year	2,80,57,843	3,47,68,622
Gain on derecognition of lease liabilities and Security deposit		-
Total amount recognized in the Statement of Profit and Loss	**4,08,54,545**	**5,23,72,905**
C. Amounts recognized in the Cash Flow Statement		
Payment of lease laibilities	(3,99,03,213)	39,25,483

K. RANGAMANI AND ASSOCIATES LLP ★ KOCHI 682016

★ASTER CLINICAL LAB LLP★KOCHI

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 5 : Other intangible assets

Particulars	As at March 31, 2025	As at March 31,2024
Suvarna LIS Software (Refer Note:30)	36,65,204	61,11,930
Aster Labs - Website Development (Refer Note:30)	6,90,757	10,84,091
Others (Refer Note:30)	1,11,408	1,32,628
Total	**44,67,369**	**73,28,649**

Note 6 : Intangible assets under development

Particulars	As at March 31, 2025	As at March 31,2024
Other Intangible asset under development	-	1,06,200
Total	**-**	**1,06,200**

Ageing schedule of intangible assets under development

Particulars	Amount in intangible assets under development for a year of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2025					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 Mar 2025	**-**	**-**	**-**	**-**	**-**
As at 31 March 2024					
Projects in progress	1,06,200	-	-	-	1,06,200
Projects temporarily suspended	-	-	-	-	-
Balance as at 31 March 2024	**1,06,200**	**-**	**-**	**-**	**1,06,200**

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 7 : Other financial assets

Particulars	As at March 31, 2025	As at March 31,2024
Non current		
Security deposits for leased premises	1,74,57,962	1,71,67,428
Security deposits- others	5,45,060	5,45,060
Fixed deposit *	1,19,77,861	1,19,77,861
Accrued interest on term deposits	39,25,481	30,32,274
Total	**3,39,06,364**	**3,27,22,623**

*The above deposits classfied here are held for a year of more than 12 months.

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682016

ASTER CLINICAL LAB LLP KOCHI

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 8 : (i) Income tax assets (net)

Particulars	As at March 31, 2025	As at March 31,2024
Advance income-tax including tax deducted at source	5,17,14,840	8,93,78,966
Provision made towards tax liabilities	-	-
Total	**5,17,14,840**	**8,93,78,966**

Note 9 : Other non-current assets (net)

Particulars	As at March 31, 2025	As at March 31,2024
Advance to vendors for supply of capital assets	5,94,852	6,00,457
Total	**5,94,852**	**6,00,457**

Note 10 : Inventories

Particulars	As at March 31, 2025	As at March 31,2024
Reagents	5,79,89,784	6,73,29,802
Consumables	3,53,56,321	3,45,10,288
Total	**9,33,46,105**	**10,18,40,090**

K. RANGAMANI AND ASSOCIATES LLP ★ KOCHI 682016

★ASTER CLINICAL LAB LLP★KOCHI

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 11 : (i) Trade receivables

Particulars	As at March 31, 2025	As at March 31,2024
Current		
Considered good - Unsecured, undisputed	9,91,27,836	9,59,94,978
Less: Expected Credit Loss	(5,15,730)	-
Net Trade receivables	**9,86,12,106**	**9,59,94,978**

Trade Receivables includes unbilled revenue an amount of Rs.1,61,43,051 as on 31st March, 2025.
(Trade Receivables includes unbilled revenue an amount of Rs.1,42,02,915 as on 31st March, 2024.)

Trade Receivables Ageing Schedule

Particulars	As at March 31, 2025	As at March 31,2024
Undisputed trade receivables- considered good		
Not due	-	-
Less than 6 months	8,38,81,626	8,20,10,251
6 months - 1 year	24,51,180	66,60,454
1-2 years	44,43,150	6,13,213
2-3 years	11,82,476	2,035
More than 3 years	71,69,404	67,09,025
Total	**9,91,27,836**	**9,59,94,978**

Ageing has been arrived considering Invoice date

Note 12 : (ii) Cash and bank balances

Particulars	As at March 31, 2025	As at March 31,2024
Cash and cash equivalents		
Balance with banks		
Current accounts	40,46,788	16,37,597
Cash-on-hand	9,59,864	11,42,740
Total	**50,06,652**	**27,80,337**

Note 13 : Other current assets

Particulars	As at March 31, 2025	As at March 31,2024
Prepaid expenses	70,27,149	1,02,23,537
Advance given to Trade Payables	17,02,804	29,17,132
Other advances	1,04,251	22,076
Total	**88,34,204**	**1,31,62,745**

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682016

ASTER CLINICAL LAB LLP KOCHI

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 14 : (i) Borrowings

Particulars	As at March 31, 2025	As at March 31,2024
Non current		
Secured Term Loan		
From Banks	18,90,74,931	23,40,74,931
	18,90,74,931	**23,40,74,931**

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 15 : Provisions

Particulars	As at March 31, 2025	As at March 31,2024
Provision for gratuity (Refer note 35)	1,93,96,000	1,53,27,000
Total	**1,93,96,000**	**1,53,27,000**

Note 16 : Other non-current liabilities

Particulars	As at March 31, 2025	As at March 31,2024
Deferred Government Grant (Duty concession under EPCG Scheme) IND AS 20	58,39,808	69,52,092
Security Deposit Payable	93,67,155	73,05,094
Total	**1,52,06,963**	**1,42,57,186**

Note 17 : (i) Borrowings

Particulars	As at March 31, 2025	As at March 31,2024
Current		
From Partner Company (Aster DM Healthcare Ltd)	85,86,60,480	77,86,60,480
Loans repayable on demand		
(Secured)		
From banks:		
Working capital loan	4,91,11,412	5,32,63,560
Current maturities of long term debt	4,50,00,000	2,25,00,000
Total	**95,27,71,892**	**85,44,24,040**

Disclosure :

We have proposed working capital loan facility of Rs.15 crore from Axis bank availed is secured by exclusive first charge on movable fixed assets of the borrower, both present & future.

K. RANGAMANI & ASSOCIATES LLP * KOCHI 682013

ASTER CLINICAL LAB LLP * KOCHI *

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 18 : (iii)Trade payables

Particulars	As at March 31, 2025	As at March 31,2024
Trade Payable		
(a) Total outstanding dues of micro enterprises and small enterprises*	81,66,537	70,89,451
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,41,18,112	13,91,95,164
Total	12,22,84,649	14,62,84,615

* Based on the information available with the LLP, there are 3 vendors(PY-4Nos) 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 years from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at 31 Mar 2025					
Micro, small and medium enterprises	81,66,537	-	-	-	81,66,537
Others	11,24,47,476	9,12,932	7,29,606	28,098	11,41,18,112
Total	**12,06,14,013**	**9,12,932**	**7,29,606**	**28,098**	**12,22,84,649**
Balance as at 31 March 2024					
Micro, small and medium enterprises	70,89,451	-	-	-	70,89,451
Others	13,81,06,507	7,29,606	30,480	3,28,571	13,91,95,164
Total	**14,51,95,958**	**7,29,606**	**30,480**	**3,28,571**	**14,62,84,615**

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

Particulars	As at March 31, 2025	As at March 31,2024
The principal remaining outstanding as at the end of the year;	81,66,537	70,89,451
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 beyond the appointed day during the year;	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act;	-	-
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 such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act;	-	-

Note 19 : (iv) Other financial liabilities

Particulars	As at March 31, 2025	As at March 31,2024
Non Current		
Finance Lease Liability (On leases as per IND AS 116) **	9,95,74,474	14,11,83,809
Current		
Finance Lease Liability (On leases as per IND AS 116) **	3,39,91,788	2,84,87,029
Others		
Interest payable on loan from Partner Company (Aster DM Healthcare Ltd)	25,51,10,556	19,29,19,836
Due to creditors for capital goods	5,73,645	9,30,720
Retention money payable	12,50,236	12,51,131
Payable to related parties	8,13,66,832	16,50,66,543
Total	33,83,01,269	36,01,68,230

K. RANGAMANI & ASSOCIATES LLP ★ KOCHI 682016

★ASTER CLINICAL LAB LLP★KOCHI

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 19 : (iv) Other financial liabilities (Continued)

**** Leases**

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended 31 March 2024 and 31 Mar 2025:

Particulars	As at March 31, 2025	As at March 31,2024
Opening balance	16,96,70,838	24,41,39,426
Additions/(Deletion)	(89,98,065)	(4,86,89,182)
Finance cost accrued during the year (refer Note 29)	1,27,96,702	1,76,04,283
Payment of lease liabilities	(3,99,03,213)	(4,33,83,689)
Closing balance	**13,35,66,262**	**16,96,70,838**
Non-current lease liabilities	9,95,74,474	14,11,83,809
Current lease liabilities	3,39,91,788	2,84,87,029

(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	As at March 31, 2025	As at March 31,2024
Less than one year	3,39,91,788	2,84,87,029
One to five years	9,89,93,122	14,06,02,457
More than five years	5,81,352	5,81,352
Total undiscounted lease liabilities	**13,35,66,262**	**16,96,70,838**

Note 20 : Provisions

Particulars	As at March 31, 2025	As at March 31,2024
Provision for gratuity (Refer note 35)	82,67,000	66,88,000
Provision for expenses	1,57,52,689	2,15,18,485
Total	**2,40,19,689**	**2,82,06,485**

Note 21 : Other current liabilities

Particulars	As at March 31, 2025	As at March 31,2024
Dues to statutory authorities	59,22,228	40,90,809
Advances received from Trade Receivables	22,59,600	1,20,26,013
Dues to employees	2,59,07,532	2,64,77,491
Other payables	6,12,616	4,19,430
Total	**3,47,01,976**	**4,30,13,743**

K. RAMAN & ASSOCIATES LLP KOCHI C32016

ASTER CLINICAL LAB LLP KOCHI

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 22 : Revenue from operations

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Income from laboratory and other services	1,31,95,49,090	1,18,20,93,943
Other Operating income	23,96,413	17,39,425
Total	**1,32,19,45,503**	**1,18,38,33,368**

Note 23 : Other income

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Interest income on bank deposits	9,96,006	8,54,038
Interest on lease deposits	10,57,184	11,84,339
Grant Income - EPCG	11,12,284	11,12,284
Interest on IT Refund	41,12,004	-
Gain / loss on derecognition of IND AS assets	10,76,900	62,27,742
Rental income	16,07,448	15,30,900
Others	16,32,133	50,814
Total	**1,15,93,959**	**1,09,60,117**

Note 24 : Purchases of stock in trade

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Purchases	57,01,68,719	60,92,95,133
Total	**57,01,68,719**	**60,92,95,133**

Note 25 : Changes in inventories

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Opening Stock	10,18,40,090	9,48,34,688
Closing Stock	9,33,46,105	10,18,40,090
Total	**84,93,985**	**(70,05,402)**

Note 26 : Professional fees to consultant doctors

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Professional fees to consultant doctors	10,21,09,135	10,07,45,423
Total	**10,21,09,135**	**10,07,45,423**

Note 27 : Laboratory outsourcing charges

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Lab outsourcing charges	5,72,98,141	4,50,69,175
Total	**5,72,98,141**	**4,50,69,175**

K. RANGAMANI AND ASSOCIATES LLP ★ KOCHI 682016

★ASTER CLINICAL LAB LLP★KOCHI

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 28 : Employee benefits expense

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Salaries and wages	22,81,80,306	23,97,35,350
Contribution to Provident and other funds	1,40,83,730	1,45,34,598
Defined benefit plans (Refer Note 35)	51,65,000	47,54,413
Staff welfare expenses	1,02,96,456	1,10,35,331
Total	**25,77,25,492**	**27,00,59,692**

Note 29 : Finance costs

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Interest on Borrowings from Partner Company (Aster DM Healthcare Ltd)	7,26,44,186	6,82,15,360
Interest on lease liabilities	1,27,96,702	1,76,04,283
Interest on term loan	2,46,52,461	2,44,37,863
Interest on bank overdrafts	97,18,762	1,07,47,788
Bank Charges for borrowings	6,69,842	4,36,073
Guarantee Commission Term Loan	28,36,556	23,56,627
Total	**12,33,18,509**	**12,37,97,994**

Note 31 : Other expenses

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Rent	4,54,607	37,52,539
Additional Rent paid (Due to cancellation of Lease agreement)	-	77,18,631
Profit/Loss on disposal of assets	26,71,291	1,00,99,016
Repairs and maintenance	1,57,00,479	97,41,082
Bio Medical Wastage discharge Charges	15,28,862	16,75,046
Insurance	12,08,162	16,88,309
Bank charges	1,48,626	1,16,259
Communication expenses	44,07,165	46,64,119
Manpower hiring expenses	10,26,85,822	11,56,94,386
Damages for contractual obligations	55,827	34,89,965
Legal and Professional Charges	1,71,58,414	1,22,19,208
Auditors remuneration (Refer Note 32)	8,50,000	8,00,000
Logistics expenses	67,07,726	1,52,56,251
Miscellaneous expenses	63,911	1,68,154
Provision for Expected Credit Loss	5,15,730	-
Office administration expenses	2,14,69,321	2,18,74,691
Power and fuel	1,37,32,921	1,56,78,642
Rates and taxes	7,71,337	2,50,508
Branding and advertisement	2,35,96,269	1,70,18,860
Travelling expenses	88,14,544	86,51,187
Other establishment expenses	26,72,133	45,93,329
Total	**22,52,13,147**	**25,51,50,182**

Note 32 : Payment to auditors

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
As auditor		
Statutory Audit Fees	6,50,000	6,00,000
Tax Audit Fees	2,00,000	2,00,000

K. RAMGAMANI & ASSOCIATES LLP ★ KOCHI 682016

★ASTER CLINICAL LAB LLP ★KOCHI

(Amount in Rs.)

Note 33 : 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.

Note 34 : Financial Risk Management Objectives and Policies

(i) The LLP's principal financial liabilities, comprise of borrowings from Partner Company, term 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.

K. RAMGAMANI AND ASSOCIATES LLP ★ KOCHI 682016

★ASTER CLINICAL LAB LLP★KOCHI

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 35 : Employee Benefit Obligation

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
A. Total employee Benefits Obligation		
Contribution to Provident Fund	1,30,07,087	1,32,57,678
Defined Benefit Plan - Gratuity - As per Actuarial Valuation	2,76,63,000	2,20,15,000
Total	**4,06,70,087**	**3,52,72,678**
B. Reconciliation of Defined Benefit Obligation		
Defined Benefit obligation at beginning of year	2,20,15,000	1,84,86,000
Current Service Cost	36,52,000	39,53,000
Interest Cost	15,13,000	12,33,000
Actuarial Loss/ (Gain) from changes in demographic assumptions	-	(18,11,000)
Actuarial Loss/ (Gain) from changes in financial assumptions	3,89,000	2,23,000
Actuarial Loss/ (Gain) from experience over the past year	10,33,000	11,56,000
Transfer In/ (Out)	(83,000)	(11,16,000)
Benefits paid	(8,56,000)	(1,09,000)
Total *	**2,76,63,000**	**2,20,15,000**
Current and Non Current obligation*		
Current	82,67,000	66,88,000
Non Current	1,93,96,000	1,53,27,000
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	36,52,000	39,53,000
Net Interest Cost	15,13,000	12,33,000
Total	**51,65,000**	**51,86,000**
E. Net Liability (Asset) recognized in the Balance Sheet		
Present Value of DBO	2,76,63,000	2,20,15,000
Fair value of plan assets at the end of the year	-	-
Liability (Asset) taken to Balance Sheet	**2,76,63,000**	**2,20,15,000**
F. Actuarial Assumptions		
Salary Growth Rate	7.0%	7.0%
Discount Rate	6.4%	6.9%
Withdrawal Rate	35.0%	35.0%
Interest Rate in Net DBO	6.9%	7.1%
Mortality Rate	IALM 2012-14 (Ult)	IALM 2012-14 (Ult)
Expected Weighted Average duration of obligation	2 years	2 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	-	18,11,000
b. Actuarial (Loss)/ Gain from changes in financial assumptions	(3,89,000)	(2,23,000)
c. Actuarial (Loss)/ Gain from experience over the past year	(10,33,000)	(11,56,000)
Return on Plan Assets, Excluding Interest Income		
Past Service Cost	-	-
Net (Income)/Expense For the year Recognized in Other Comprehensive Income	**14,22,000**	**(4,32,000)**

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682016

ASTER CLINICAL LAB LLP KOCHI

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

Note 36 : 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 Limited	Holding Company
Ambady Infrastructure Private Limited	Fellow Subsidaries
Aster DM Medcity Hospital (India Pvt.ltd)	Fellow Subsidaries
Malabar Institute of Medical Sciences Limited	Fellow Subsidaries
Sri Sainatha Multispeciality Hospitals Private Limited	Fellow Subsidaries
Prerana Hospitals Limited	Fellow Subsidaries
Aster DM Healthcare FZC	Company in which Promoters of Holding Company hold significant influence
Aster DM Healthcare LLC	Company in which Promoters of Holding Company hold significant influence
Medcare Hospital LLC	Company in which Promoters of Holding Company hold significant influence
Dr. Moopens Healthcare Mangement service	Company in which Promoters of Holding Company hold significant influence
Alfaone Retail Pharmacies Private Limited	Associate of Holding Company

B. Transactions with related parties during the year

Name of the Party	Nature of transaction	For the year ended March 31,2025	For the year ended March 31,2024
Aster DM Healthcare Limited	Loans received	8,00,00,000	1,00,00,000
	Revenue from operations	62,24,43,239	56,69,04,362
	Interest on Loan	7,26,44,186	7,04,34,422
	Sale of property, plant and equipment	50,000	5,93,409
	Lab Consumption (Purchases)	5,670	9,53,599
	Guarantee Commission on Term loan	8,00,434	6,34,507
	Expenses incurred by Holding Company on behalf of the LLP	1,31,49,296	1,52,70,792
Ambady Infrastructure Private Limited	Guarantee Commission on Term loan	8,00,194	6,34,507
DM Med City Hospitals (India) Private Limited	Guarantee Commission on Term loan	8,00,198	6,34,508
	Professional services	-	2,50,000
Malabar Institute of Medical Sciences Limited	Revenue from operations	33,95,44,370	27,12,01,707
	Other income (Rental Income)	16,07,448	15,34,644
	Lab Consumption (Purchases)	19,61,235	1,02,13,717
	Expenses incurred by fellow subsidiary on behalf of the LLP	1,34,296	2,60,765
Sri Sainatha Multispeciality Hospitals Private Limited	Service Income	25,310	1,21,97,215
	Purchases (printing & Stationary)	-	19,554
	Other Expenses	69,941	65,306
Aster DM Healthcare FZC	Service Income	-	1,81,77,671
	Lab Consumption (Purchases)	-	1,52,191
	Service Income	-	20,44,535
Medcare Hospital LLC	Service Income	-	1,83,01,764
Radiant Healthcare LLC	Service Income	-	1,62,160
Dr Moopens Healthcare Management Services	Employee related expense	-	79,29,073
Prerana Hospitals Limited	Service Income	-	2,97,66,290
	Lab Consumption (Purchases)	-	63,16,193
	Employee related expense	-	8,51,146
	Lab Outsource Expenses (Reimbursement)	-	39,42,510
Alfaone Retail Pharmacies Private Limited	Service Income	-	1,59,000
	Other income	-	2,63,533

ASTER CLINICAL LAB LLP

Notes forming part of the financial statements for the year ended March 31, 2025

(Amount in Rs.)

C. Balances at the end of years

Name of Party	Receivable / Payable	As at March 31, 2025	As at March 31,2024
Aster DM Healthcare Limited	Payable	5,97,52,816	13,20,68,073
	Interest accrued on loan	25,51,10,556	19,29,19,836
	Opex Loan	85,86,60,479	77,86,60,479
	Receivable	2,10,74,973	16,36,972
Ambady Infrastructure Private Limited	Payable	16,66,625	7,19,364
Aster DM Healthcare FZC	Receivable	46,709	1,98,900
	Payable	2,49,759	4,01,950
DM Med City Hospitals (India) Private Limited	Receivable	-	1,24,200
	Payable	15,40,060	8,51,994
Medcare Hospital LLC	Receivable	-	50,39,332
Malabar Institute of Medical Sciences Limited	Payable	8,55,907	2,412
	Receivable	55,93,243	44,16,176
Sri Sainatha Multispeciality Hospitals Private Limited	Receivable	(1,70,459)	67,62,236
	Payable	60,015	60,015
Dr Moopens Healthcare Management Services	Payable	2,22,59,025	2,22,59,025
Prerana Hospitals Limited	Receivable	-	1,10,98,045
	Payable	27,30,793	1,49,28,838
Alfaone Retail Pharmacies Private Limited	Receivable	4,43,616	4,43,616

Note 37 : 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, which is net debt divided by total capital plus net debt. The LLP's policy during the formative years is to keep the gearing ratio around 10%. The LLP includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars of Net Debt and Capital	For the year ended March 31,2025	For the year ended March 31,2024
Long term borrowings	18,90,74,931	23,40,74,931
Current maturities of long term debt	-	2,25,00,000
Short Term Borrowings	95,27,71,892	83,19,24,040
Less: Cash and Cash Equivalent	(50,06,652)	(27,80,337)
Net Debt	1,13,68,40,171	1,08,57,18,634
Total Capital	1,00,10,000	1,00,10,000
Gearing Ratio	0.88%	0.92%

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 38 : Contingent Liabilities

Particulars	For the year ended March 31,2025	For the year ended March 31,2024
Export commitments under EPCG scheme	80,22,613	63,54,187

In terms of our report of even date
For K.Rangamani and Associates LLP
Chartered Accountants
Firm Registration No.S200078

Ganesh Ramaswamy
Partner
Membership No. 027823
UDIN: 25027823BMHWUX7459
Place: Bangalore
Date: 07-05-2025

For Aster Clinical Lab LLP
LLIN- AAP-8163

Sunil Kumar M R
Designated Partner
DIN 09045676
Place: Bangalore
Date: 07-05-2025

Abdul Salam Ameerali
Designated Partner
DIN 08091822
Place: Kochi
Date: 07-05-2025

K. RANGAMANI AND ASSOCIATES LLP KOCHI 682013

ASTER CLINICAL LAB LLP KOCHI