SRL Diagnostics FZ-LLC
Dubai Healthcare City, Dubai - United Arab Emirates

Auditor's report and financial statements
For the year ended March 31, 2020

SRL Diagnostics FZ-LLC
Dubai Healthcare City, Dubai - United Arab Emirates

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SRL Diagnostics FZ-LLC
Dubai Healthcare City, Dubai - United Arab Emirates

General information

Principal office address	:	Units No. 1007, 1018 & 1019 Building No. 64 Dubai Healthcare City P.O. Box 505143 Dubai – United Arab Emirates T: +971 4 448 3100	
The Directors	:	Name Mr. Mangesh Shrikant Shirodkar Mr. Ravi Aggarwal	Nationality Indian Indian
The Auditor	:	Crowe Mak P.O. Box 6747 Dubai - United Arab Emirates	
The Main Bank	:	Mashreq Bank PSC	

SRL Diagnostics FZ-LLC
Dubai Healthcare City, Dubai - United Arab Emirates

Directors' report

The Directors have pleasure in presenting their report and the audited financial statements for the year ended March 31, 2020.

Principal activities of the Entity

The Entity is licensed by the Dubai Healthcare City Authority issued by the Government of Dubai to operate as diagnostic centre and medical laboratory.

Financial review

The table below summarizes the results of 2020 and 2019 denoted in Arab Emirates Dirham (AED).

Revenue	**12,411,332**	15,230,528
Gross profit	**3,005,324**	3,941,659
Net (loss)	**(3,887,269)**	(7,801,518)

Role of the Directors

The Directors are the Entity's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through their guidance and supervision of the Entity's business. The Directors set the strategies and policies of the Entity. They monitor performance of the Entity's business, guide and supervise its management.

Going concern

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements, the management has made an assessment of the Entity's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity's ability to continue as a going concern.

Events after year end

Due to COVID 19 and its widespread impact on the global economy, the financial impact on the business remains uncertain. The Management of the Entity is planning to take reasonable measures to protect its interests and minimize the impact on the business. However, due to uncertainty beyond Management's control, the financial impact of the situation cannot be ascertained.

Auditor

M/s. Crowe Mak, Dubai - United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the Entity and its financial performance for the year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

These financial statements were approved by the Board and signed on behalf by the authorized representative of the Entity.

Mr. Mangesh Shrikant Shirodkar
Director
May 25, 2020

Crowe Mak

Level 21, The Prism,
Business Bay, Sheikh Zayed Road
P O Box 6747, Dubai, U.A.E
Main +971 4 447 3951
Fax +971 4 447 3961
uae@crowe.ae
www.crowe.ae

REF: FJ/B1702H/MAY 2020

Independent auditor's report

To,
The Shareholder
SRL Diagnostics FZ-LLC
P.O. Box 505143
Dubai Healthcare City, Dubai - United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **SRL Diagnostics FZ-LLC, Dubai Healthcare** City, Dubai United Arab Emirates ("Entity") which comprise the statement of financial position as at **March 31, 2020,** and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of those charged with governance for the financial statements

Those charged with governance are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity 's financial reporting process.

Independent auditor's report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity 's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report (continued)

Report on other legal and regulatory requirements

As required by the U.A.E. DHCC Company Regulation No.8 of 2013, we further confirm that,

1. We have obtained all the information and explanations which we consider necessary for our audit,
2. The financial statements have been prepared and comply in all material respects with the applicable provisions of the U.A.E. DHCC company regulation No. 8 of 2013 and the Articles of Association of the Entity,
3. Proper books of accounts have been maintained by the Entity,
4. The contents of the Directors' report which relates to the financial statements are in agreement with the Entity 's books of account,
5. The Entity has not made any investments in shares and stocks during the year ended March 31, 2020.
6. Note 6 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted.
7. Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial year ended, any of the applicable provisions of the U.A.E. DHCC company regulation No. 8 of 2013 and the Articles of Association of the Entity, which would materially affect its activities or its financial position as of March 31, 2020.

For, Crowe MAK

Zayd Khalid Maniar

Partner

Reg. No : 579

May 25, 2020

SRL Diagnostics FZ-LLC
Dubai Healthcare City, Dubai - United Arab Emirates

Statement of financial position as at March 31, 2020
In Arab Emirates Dirham

	Notes	2020	2019
Assets			
Non-current assets			
Property and equipment	4	**370,612**	633,233
Right-of-use assets	7	**2,686,459**	-
Total non-current assets		**3,057,071**	633,233
Current assets			
Inventories	8	**473,897**	844,118
Accounts receivable	9	**7,225,077**	6,688,768
Advances, deposits and other receivables	10	**529,722**	871,925
Cash and bank balances	11	**628,397**	597,735
Total current assets		**8,857,093**	9,002,546
Total assets		**11,914,164**	9,635,779
(Deficit) and liabilities			
(Deficit)			
Share capital	12	**506,000**	506,000
Share premium	13	**5,239,583**	5,239,583
Reserve	14	**84,644,269**	84,644,269
Accumulated losses	15	**(98,391,326)**	(94,504,057)
Total (Deficit)		**(8,001,474)**	(4,114,205)
Non-current liabilities			
Loans from a related party	6	**58,846**	58,846
Lease liabilities	7	**1,842,828**	-
Employees' end of service benefits	16	**1,018,692**	993,693
Total non-current liabilities		**2,920,366**	1,052,539
Current liabilities			
Accounts and other payables	17	**7,138,655**	6,324,805
Due to a related party	6	**9,095,492**	6,372,640
Lease liabilities	7	**761,125**	-
Total current liabilities		**16,995,272**	12,697,445
Total liabilities		**19,915,638**	13,749,984
Total (Deficit) and liabilities		**11,914,164**	9,635,779

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 5.

The financial statements on pages 6-32 were approved on May 25, 2020 and signed on behalf of the Entity, by:

Mr. Mangesh Shrikant Shirodkar
Director

Statement of profit or loss and other comprehensive income for the year ended March 31, 2020
In Arab Emirates Dirham

	Notes	**2020**	2019
Revenue	18	**12,411,332**	15,230,528
Direct costs	19	**(9,406,008)**	(11,288,869)
Gross profit		**3,005,324**	3,941,659
Other income	20	**17,750**	-
Selling and distribution expenses	21	**(47,879)**	(98,568)
Administrative expenses	22	**(6,727,150)**	(11,644,609)
Finance costs	23	**(135,314)**	-
Net (loss) for the year		**(3,887,269)**	(7,801,518)
Other comprehensive income		**-**	-
Total comprehensive (loss) for the year		**(3,887,269)**	(7,801,518)

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 5.

SRL Diagnostics FZ-LLC
Dubai Healthcare City, Dubai - United Arab Emirates

Statement of changes in equity for the year ended March 31, 2020
In Arab Emirates Dirham

	Share capital	Share premium	Reserve	Accumulated losses	Total (Deficit)
Balance as at March 31, 2018	506,000	5,239,583	84,644,269	(86,702,539)	3,687,313
Net (loss) for the year	-	-	-	(7,801,518)	(7,801,518)
Balance as at March 31, 2019	506,000	5,239,583	84,644,269	(94,504,057)	(4,114,205)
Net (loss) for the year	-	-	-	(3,887,269)	(3,887,269)
Balance as at March 31, 2020	**506,000**	**5,239,583**	**84,644,269**	**(98,391,326)**	**(8,001,474)**

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 5.

SRL Diagnostics FZ-LLC
Dubai Healthcare City, Dubai - United Arab Emirates

Statement of cash flows for the year ended March 31, 2020
In Arab Emirates Dirham

	2020	2019
Cash flows from operating activities		
Net (loss) for the year	**(3,887,269)**	(7,801,518)
Adjustments for:		
Gain on sale of property and equipment	**(17,750)**	-
Impairment losses on investment in subsidiary	**-**	98,000
Depreciation on property and equipment	**266,478**	285,851
Depreciation on Right-of-use assets (Note 7)	**681,554**	-
Allowance for doubtful debt	**582,284**	2,412,397
Allowance for doubtful receivable from related parties	**-**	1,309,886
Interest on lease liabilities	**135,314**	-
Provision for employees' end of service benefits	**54,081**	374,972
	(2,185,308)	(3,320,412)
(Increase) / decrease in current assets		
Inventories	**370,221**	315,925
Accounts receivable	**(1,118,593)**	287,403
Advances, deposits and other receivables	**342,203**	434,124
Due from related parties	**-**	1,298,289
Increase / (decrease) in current liabilities		
Accounts and other payables	**813,850**	(26,013)
Due to a related party	**2,722,852**	1,354,739
Cash generated from operations	**945,225**	344,055
Employees' end-of-services benefits paid	**(29,082)**	(246,506)
Net cash from operating activities	**916,143**	97,549
Cash flows from investing activities		
Purchase of property and equipment	**(4,106)**	-
Proceeds from sale of property and equipment	**17,999**	-
Net cash from investing activities	**13,893**	-
Cash flows from financing activities		
Payment of lease liabilities	**(764,060)**	-
Interest on lease liabilities	**(135,314)**	-
Net cash (used in) financing activities	**(899,374)**	-
Net increase in cash and cash equivalents	**30,662**	97,549
Cash and cash equivalents, beginning of the year	**597,735**	500,186
Cash and cash equivalents, end of the year	**628,397**	597,735
Cash and cash equivalents		
Cash in hand	**5,740**	10,281
Cash at bank	**622,657**	587,454
	628,397	597,735

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 to 5.

1 Legal status and business activities

1.1 **SRL Diagnostics FZ-LLC, Dubai Healthcare City, Dubai - United Arab Emirates** (the "Entity") was incorporated in February 11, 2009 as a free zone entity with a limited liability under commercial license issued by the Dubai Healthcare City of the Government of Dubai.

1.2 The Entity is licensed by the Dubai Healthcare City Authority issued by the Government of Dubai to operate as diagnostic centre and medical laboratory.

1.3 The registered office of the Entity is located at Units No. 1007, 1018 and 1019, Building No. 64, Dubai Healthcare City, P.O. Box 505143, Dubai, United Arab Emirates.

1.4 The Management and control are vested with Mr. Ravi Aggarwal, Director, Indian national.

1.5 These financial statements incorporate the operating results of the commercial License No. 358.

2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and amended IFRS Standards that are effective for the current year

IFRS 16 Leases, which was issued in January 1, 2016 and became effective for the financial year beginning on or after April 1, 2019, has been adopted in these financial statements (Note 3.16)

Impact of initial application of other amendments to IFRS standards

In the current year, the Entity has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for the financial year begining on or after April 1, 2019.

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendments to IFRS 9 Prepayment Features with Negative Compensation and Modification of financial liabilities. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendment applies to annual periods beginning on or after January 1, 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.	January 1, 2019
Amendments to IAS 28 Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures. These amendments clarify that an Entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 1, 2019
Annual Improvements to IFRSs 2015-2017 Cycle Amendments to IAS 12 Income Taxes, IAS 23 Borrowing Costs, IFRS 3 Business Combinations and IFRS 11 Joint Arrangements. The Annual Improvements include amendments to Four Standards.	January 1, 2019

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.1 New and amended IFRS Standards that are effective for the current year (continued)

i) IAS 12 Income Taxes The amendments clarify that an Entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.	January 1, 2019
ii) IAS 23 Borrowing costs The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an Entity borrows generally when calculating the capitalisation rate on general borrowings.	January 1, 2019
iii) IFRS 3 Business Combinations The amendments to IFRS 3 clarify that when an Entity obtains control of a business that is a joint operation, the Entity applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.	January 1, 2019
iv) IFRS 11 Joint Arrangements The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Entity does not re-measure its PHI in the joint operation.	January 1, 2019
Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement. The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements.	January 1, 2019
IFRIC 23 Uncertainty over Income Tax Treatments The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: • Whether tax treatments should be considered collectively; • Assumptions for taxation authorities' examinations; • The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and • The effect of changes in facts and circumstances.	January 1, 2019

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after April 1, 2019.

2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRS in issue but not yet effective

The Entity has not applied the following new and amended IFRSs that have been issued but are not yet effective.

New and revised IFRSs	Effective for annual periods beginning on or after
Definition of Material - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting Entity.	January 1, 2020
Definition of a Business – Amendments to IFRS 3 Business Combinations. The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. IASB also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs.	January 1, 2020
Amendments to References to the Conceptual Framework in IFRS Standards. Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	January 1, 2020
IFRS 7 Financial Instruments: Disclosures and IFRS 9 — Financial Instruments. Amendments regarding pre-replacement issues in the context of the IBOR reform.	January 1, 2020
IFRS 17 Insurance Contracts. IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle- based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at January 1, 2021.	January 1, 2023

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards. These financial statements are presented in United Arab Emirates Dirham (AED) which is the Entity functional and presentation currency.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

3.3 Current / Non-current classification

The principal accounting policies applied in these financial statements are set out below.

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

3.4 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 to by the Entity.

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 best economic 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.

3 Significant accounting policies (continued)

3.5 Foreign currency

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.6 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.
Depreciation is spread over its useful lives so as to write off the cost of property and equipment, using the straight-line method over its useful lives as follows:

	Years
Laboratory assets	5
Office partitions and improvements	5
Computers	5
Office equipment	5
Furniture and fixtures	5
Motor vehicles	5

When part of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

3.7 Impairment of tangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3 Significant accounting policies (continued)

3.7 Impairment of tangible assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

3.8 Investments in subsidiary

The investments in subsidiary is accounted for using cost method as suggested by IAS 39 “Financial Instruments: Recognition and Measurement.

3.9 Financial instruments

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

3.10 Financial assets

Classification

The Entity classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"), and
- those to be measured at amortised cost.

The classification depends on the Entity’s business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets comprise of cash and cash equivalents, accounts receivable and other financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 Significant accounting policies (continued)

3.10 Financial assets (continued)

Accounts Receivable

Accounts receivable balances that are held to collect are subsequently measured at amortized cost. The Entity assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.

Accounts receivable are written off when they are deemed uncollectible because of bankruptcy or other form of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Impairment of financial assets

For accounts and other receivables and due from related parties, the entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

3.11 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include accounts and other payables, loans and borrowings including bank overdrafts, due to related party and loan from related party.

Accounts and other payables

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to a related party

Amounts due to a related party are stated at amortised cost.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. 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 or loss.

3 Significant accounting policies (continued)

3.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.13 Inventories

Inventories are stated at average cost and consist of mainly consumables. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.14 Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.15 Revenue recognition

Revenue in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised services to the customer.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for separately based on their stand-alone selling prices. Revenue is recorded net of value added tax (VAT). A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Diagnostic test fees

Diagnostic services refers clinical services of pathology and laboratory medicine, radiology and nuclear medicine. The performance obligation is satisfied upon the delivery of the test reports based on the samples provided by the customer.

3 Significant accounting policies (continued)

3.16 Lease

Application of IFRS 16 - Leases

The Entity adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Entity elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

The Entity as a lessee

The Entity has lease contract for office building. Before the adoption of IFRS 16, the Entity classified its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as expense in statement of profit or loss on a straight-line basis over the lease term.

The effect of adoption of IFRS 16 as at April 1, 2019 resulted in an increase /(decrease) is as follows:

	AED
Increase in right-of-use assets (Note 7a)	3,368,013
Increase in lease liabilities (Note 7b)	-

Lease previously accounted for as operating lease

The Entity recognised right-of-use assets and lease liability for the lease previously classified as operating lease. The right-of-use assets for lease was recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liability was recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The incremental borrowing rate applied to the leased liability on April 1, 2019 was 4.50%.

Right-of-use asset

The Entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Entity is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use asset is subject to impairment.

The recognised right-of-use asset related to the below type of asset:

	AED
Office Building	**3,368,013**

3 Significant accounting policies (continued)

3.16 Lease (continued)

Lease liabilities

At the commencement date of the lease, the Entity recognises lease liability measure at the present value of the lease payments to be made over the lease term. The lease payment includes fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Entity and payments of penalties for terminating a lease, if the lease term reflects the Entity exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Entity uses the incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payment made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

3.17 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgements in applying accounting policies

In the process of applying the Entity’s accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Determining the timing of satisfaction of performance obligations - revenue recognition

In making their judgement, the Entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Entity has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

3 Significant accounting policies (continued)
3.17 Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies (continued)

Business model assessment - classification and measurement of financial statements

Classification and measurement of financial assets depends on the results of business model test. The Entity determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Discounting of lease payments

The lease payments are discounted using the Entity's incremental borrowing rate ("IBR"). The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.50%.
Management has applied judgments and estimates to determine the IBR at the commencement of lease.

Net realisable value of inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Useful lives of property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

3 Significant accounting policies (continued)

3.17 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the financial statements.

Impairment on investment in subsidiary

When the carrying amount of an investment in subsidiary and other receivables is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the profit or loss. Management uses appropriate valuation techniques for calculating estimated recoverable amount. Impairment loss on investment in subsidiary for the year amounted to AED Nil (2019: AED 98000).

4 Property and equipment

	Laboratory assets	Office partitions and improvements	Computers	Office equipment	Furniture and fixtures	Motor vehicles	Total
Cost							
As at March 31, 2018	5,422,083	8,656,647	575,291	7,871	105,412	66,530	14,833,834
As at March 31, 2019	5,422,083	8,656,647	575,291	7,871	105,412	66,530	14,833,834
Additions during the year	-	-	2,567	-	1,539	-	4,106
Disposals during the year	(199,227)	-	-	-	-	-	(199,227)
As at March 31, 2020	**5,222,856**	**8,656,647**	**577,858**	**7,871**	**106,951**	**66,530**	**14,638,713**
Accumulated depreciation							
As at March 31, 2018	5,263,766	8,114,147	456,235	7,870	26,283	46,449	13,914,750
Charge for the year	54,961	144,338	54,287	-	21,047	11,218	285,851
As at March 31, 2019	5,318,727	8,258,485	510,522	7,870	47,330	57,667	14,200,601
Charge for the year	52,677	144,733	41,362	-	21,117	6,589	266,478
Eliminated on disposal during the year	(198,978)	-	-	-	-	-	(198,978)
As at March 31, 2020	**5,172,426**	**8,403,218**	**551,884**	**7,870**	**68,447**	**64,256**	**14,268,101**
Carrying value as at March 31, 2020	**50,430**	**253,429**	**25,974**	**1**	**38,504**	**2,274**	**370,612**
Carrying value as at March 31, 2019	103,356	398,162	64,769	1	58,082	8,863	633,233

	Notes	For the year ended March 31, **2020** AED	2019 AED
Cost of sales	19	**52,675**	54,961
Administrative expenses	22	**213,803**	230,890
		266,478	285,851

5 Investment in subsidiary

	Percentage of ownership interest			
	2020	**2019**	**2020**	2019
M/S. S R L Diagnostics Middle East L.L.C, U.A.E.	100%	100%	**-**	98,000
			-	98,000
*Less: Impairment of investment in subsidiary (Note 22)			**-**	(98,000)
			-	-

In 2019, the management has recognised impairment of AED 98,000 against investment in subsidiary based on a decrease in the value of investment.

6 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures.Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

a) Due from related parties	**2020**	2019
Under common control		
M/S. Mena Healthcare Investment Company Limited., B.V.I	**1,281,999**	1,281,999
M/S. S R L Diagnostics Middle East LLC, U.A.E	**-**	27,887
Allowance for doubtful receivables from related parties	**(1,281,999)**	(1,309,886)
	-	-

b) Due to a related party

Parent company		
M/S. SRL Limited., India	**9,095,492**	6,372,640
	9,095,492	6,372,640

c) Loans from a related party

Under common control		
M/S. Medical Management Company Limited, B.V.I	**58,846**	58,846
	58,846	58,846

The above loan is free of interest and without any fixed repayment schedule.

d) Transactions with a related party

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended March 31,	
	2020	2019
Outsourcing costs	**2,752,640**	2,978,803

7 Leases

	2020

a) Right-of-use assets

The carrying value of the right-of-use assets is as follows:

	Office Building	Total
Cost		
As at April 1, 2019	-	-
Impact of implementation of IFRS 16	**3,368,013**	**3,368,013**
Additions during the year	-	-
As at March 31, 2020	**3,368,013**	**3,368,013**
Accumulated depreciation		
As at April 1, 2019	-	-
Impact of implementation of IFRS 16	-	-
Charge for the year	**681,554**	**681,554**
As at March 31, 2020	**681,554**	**681,554**
Carrying value as at March 31, 2020	**2,686,459**	**2,686,459**

During the year, the Entity recognised following right-of-use assets upon adoption of IFRS 16 (note 3.16).

b) Lease liabilities

Impact of implementation of IFRS 16	**3,368,013**
Add: Interest charge during the year	**135,314**
Less: payments during the year	**(899,374)**
	2,603,953

Comprising:

Current portion	**761,125**
Non-current portion	**1,842,828**
	2,603,953

8 Inventories

	2020	2019
Consumables	**473,897**	844,118
	473,897	844,118

The inventories are kept in a laboratory at Dubai Healthcare City, Dubai, United Arab Emirates & warehouse in Al Nahda Industrial Area Sharjah, United Arab Emirates.

9 Accounts receivable

Accounts receivable	**11,410,218**	10,291,625
	11,410,218	10,291,625
Less: Allowance for doubtful debts	**(4,185,141)**	(3,602,857)
	7,225,077	6,688,768

The average credit period for the accounts receivables is 90 days (2019: 90 days). Provisions are based on the estimated irrecoverable amounts determined by reference to past default experience.

Of the accounts receivables as at March 31, 2020, there are 5 customers (2019: 5 customers) which represent 22% (2019: 13 %) of the total receivables.

Ageing of receivables that are neither past due nor impaired:

1 -90 days	**2,764,941**	4,229,424
	2,764,941	4,229,424

Ageing of receivables that are past due but not impaired:

91-120 days	**1,786,996**	823,796
121 - 150 days	**650,635**	710,903
151-180 days	**509,506**	492,357
181-365 days	**1,513,000**	432,288
	4,460,136	2,459,344

The movements in the allowance for doubtful debt as at reporting date are as follows:

Balance at the beginning of the year	**3,602,857**	1,190,460
Charge during the year (Note 22)	**582,284**	2,412,397
Balance at the end of the year	**4,185,141**	3,602,857

In determining the recoverability of accounts receivable, the Entity considers any change in the credit quality of the accounts receivable receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that there is no further credit allowance required for doubtful debts.

Geographical analysis:

The geographical analysis of accounts receivable are as follow:

Within U.A.E.	**8,772,333**	7,641,195
Outside U.A.E.	**2,637,885**	2,650,430
	11,410,218	10,291,625

10 Advances, deposits and other receivables

	2020	2019
Prepayments	**281,001**	654,622
Labour guarantee	**144,925**	156,924
Advances to suppliers	**75,921**	356
Staff loan and advances	**26,006**	27,550
VAT receivable-net	**-**	23,153
Other receivables	**1,869**	9,320
	529,722	871,925

11 Cash and bank balances

Cash in hand	**5,740**	10,281
Cash at bank	**622,657**	587,454
	628,397	597,735

Management has concluded that the expected credit loss for all bank balances is immaterial as these balances are held with banks whose credit risk rating by international rating agencies has been assessed as low.

12 Share capital

Authorised, issued and paid up capital of the Entity is AED 506,000, divided into 506 shares of AED 1,000 each fully paid.

The details of the shareholding as at reporting date are as follows:

Name of Shareholder	Incorporated in	Percentage	No. of shares	2020	2019
SRL Limited	India	100%	**506**	**506,000**	506,000
		100%	**506**	**506,000**	506,000

13 Share premium

	2020	2019
Balance at the beginning of the year	**5,239,583**	5,239,583
Balance at the end of the year	**5,239,583**	5,239,583

The above share premium represent an amount received by SRL Diagnositcs FZ LLC, Dubai, U.A.E on June 7, 2017 in excess of the par value of the shares.

14 Reserve

	2020	2019
Balance at the beginning of the year	**84,644,269**	84,644,269
Balance at the end of the year	**84,644,269**	84,644,269

The above reserves represents a loan from Fortis to SRL Diagnostics FZ - LLC which was subsequently treated as reserve in equity.

15 Accumulated losses

	2020	2019
Balance at the beginning of the year	**(94,504,057)**	(86,702,539)
Net (loss) for the year	**(3,887,269)**	(7,801,518)
Balance at the end of the year	**(98,391,326)**	(94,504,057)

16 Employees' end of service benefits

	2020	2019
Balance at the beginning of the year	**993,693**	865,227
Add: charge for the year	**54,081**	374,972
Less: paid during the year	**(29,082)**	(246,506)
Balance at the end of the year	**1,018,692**	993,693

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting year.

17 Accounts and other payables

	2020	2019
Accounts payable	**4,866,872**	5,062,940
Accruals for expenses	**236,373**	-
Accrued salaries and benefits	**498,616**	695,850
Advances from customers	**32,335**	500
Other payables	**541,363**	565,515
VAT payable-net (Note 27)	**963,096**	-
	7,138,655	6,324,805

18 Revenue

	For the year ended March 31,	
	2020	2019
Revenue from contracts with customers	**12,411,332**	15,230,528
	12,411,332	15,230,528

18.1 Disaggregated revenue information

Set out below is the disaggregation of the Entity's revenue from contracts with customers and principals.

	For the year ended March 31,	
Segments	**2020**	2019
Type of services		
Diagnostics tests	**12,411,332**	15,230,528
Total revenue from contracts with customers	**12,411,332**	15,230,528
Geographical markets		
Within U.A.E.	**9,629,408**	10,481,015
Outside U.A.E.	**2,781,925**	4,749,513
Total revenue from contracts with customers	**12,411,333**	15,230,528
Timing of revenue recognition		
Services transferred at a point in time	**12,411,333**	15,230,528
Total revenue from contracts with customers	**12,411,333**	15,230,528

18.2 Performance obligations

Information about the Entity's performance obligations are summarised below:

Diagnostic test fees

Diagnostic services refers clinical services of pathology and laboratory medicine, radiology and nuclear medicine. The performance obligation is satisfied upon the delivery of the test reports based on the samples provided by the customer.

19 Direct costs

Inventories at the beginning of the year	**844,118**	1,160,043
Add: Net Purchases	**2,161,954**	3,071,002
Salaries and wages	**2,972,146**	3,508,071
Cost of tests outsourced	**3,423,517**	3,987,043
Depreciation on property and equipment (Note 4)	**52,675**	54,961
Other direct costs	**425,495**	351,867
	9,879,905	12,132,987
Less: Inventories, end of the year (Note 8)	**(473,897)**	(844,118)
	9,406,008	11,288,869

20 Other income

Gain on sale of property and equipment	**17,750**	-
	17,750	-

21 Selling and distribution expenses

	For the year ended March 31,	
	2020	2019
Advertisement and business promotions	**47,879**	76,118
Other selling and marketing expenses	**-**	22,450
	47,879	98,568

22 Administrative expenses

	2020	2019
Salaries and related benefits	**3,004,002**	4,082,366
Rent	**288,084**	1,045,216
Printing and stationery	**39,802**	63,780
Travelling and entertainment	**18,922**	13,166
Legal, visa and professional	**662,394**	597,548
Utilities	**79,776**	92,183
Postage and courier	**252,675**	231,362
Telephone and communications	**244,045**	311,566
Repairs & maintenance	**250,380**	192,954
Depreciation on right-of-use assets (Note 7)	**681,554**	-
Depreciation on property and equipment (Note 4)	**213,803**	230,890
Impairement of investment in subsidiary (Note 5)	**-**	98,000
Bad debts directly written off	**-**	417,077
Doubtful debts (Note 9)	**582,284**	2,412,397
Allowance for doubtful related parties (Note 6)	**-**	1,309,886
Insurance	**286,248**	389,566
Conveyance	**36,363**	62,719
Motor vehicle expenses	**17,280**	15,177
Bank charges	**20,660**	24,503
Others	**48,878**	54,253
	6,727,150	11,644,609

23 Finance costs

	2020	2019
Interest on lease liabilities	**135,314**	-
	135,314	-

24 Financial instruments

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 3 to the financial statements.

24 Financial instruments (continued)

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

	As at March 31,		As at March 31,	
	2020	2019	**2020**	2019
Financial assets	Carrying amount		Fair value	
Accounts receivable	**7,225,077**	6,688,768	**7,225,077**	6,688,768
Other receivables	**172,800**	193,794	**172,800**	193,794
Cash and bank balances	**628,397**	597,735	**628,397**	597,735
	8,026,274	7,480,297	**8,026,274**	7,480,297
Financial liabilities				
Loans from a related party	**58,846**	58,846	**58,846**	58,846
Accounts and other payables	**7,138,655**	6,324,805	**7,138,655**	6,324,805
Due to a related party	**9,095,492**	6,372,640	**9,095,492**	6,372,640
Lease liabilities	**2,603,953**	-	**2,603,953**	-
	18,896,946	12,756,291	**18,896,946**	12,756,291

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets consist of cash and bank balances, accounts receivable and certain other assets. Financial liabilities consist of accounts payable, due to a related party and loan from a related party, lease liabilities and certain other liabilities.

As at reporting date financial assets and financial liabilities are approximates their carrying values.

25 Financial risk management objectives

The Entity management set out the Entity’s overall business strategies and its risk management philosophy. The Entity’s overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity’s policy guidelines are complied with.

There has been no change to the Entity’s exposure to these financial risks or the manner in which it manages and measures the risk.

25 Financial risk management objectives (continued)

a) Foreign currency risk management

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) Interest rate risk management

As at the reporting date, there is no significant interest rate risk as there are no borrowings at floating interest rates as at year end.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Entity has access to interest free loans from its shareholder at its disposal to further reduce liquidity risk.

25 Financial risk management objectives (continued)

c) Liquidity risk management (continued)

Liquidity and interest risk tables:

The table below summarises the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as follows:

	Interest bearing			Non Interest bearing			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
	As at March 31, 2020						
Financial assets							
Accounts receivable	-	-	-	-	7,225,077	-	7,225,077
Other receivables	-	-	-	-	172,800	-	172,800
Cash and bank balances	-	-	-	628,397	-	-	628,397
	-	-	-	628,397	7,397,877	-	8,026,274
Financial liabilities							
Loans from related party	-	-	-	-	-	58,846	58,846
Accounts and other payables	-	-	-	-	7,138,655	-	7,138,655
Due to a related party	-	-	-	-	9,095,492	-	9,095,492
Lease liabilities	-	761,125	1,842,828	-	-	-	2,603,953
	-	761,125	1,842,828	-	16,234,147	58,846	18,896,946
	As at March 31, 2019						
Financial assets							
Accounts receivable	-	-	-	-	6,688,768	-	6,688,768
Other receivables	-	-	-	-	193,794	-	193,794
Cash and bank balances	-	-	-	597,735	-	-	597,735
	-	-	-	597,735	6,882,562	-	7,480,297
Financial liabilities							
Loans from related party	-	-	-	-	-	58,846	58,846
Accounts and other payables	-	-	-	-	6,324,805	-	6,324,805
Due to a related party	-	-	-	-	6,372,640	-	6,372,640
	-	-	-	-	12,697,445	58,846	12,756,291

25 Financial risk management objectives (continued)

d) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the Entity maintains an allowance for doubtful debts based on expected collectability of all accounts receivable.

Accounts receivable consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Further details of credit risks on accounts and other receivables are disclosed in Notes 09 and 10 to the financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

26 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year.

27 Contingent liabilities

The Federal Tax Authority (FTA) has issued the Value Added Tax (VAT) public clarification on "Business-to-Business Supplies of Healthcare Services" vide VAT pubic clarification no. VATP016. dated October 24, 2019 Pursuant to aforesaid VAT public clarification, the Entity has accounted for VAT liability of AED 0.80 million for relevant services supplied from January 1, 2018 to September 30, 2019, under Voluntary disclosure form (refer Note 17). Further, the Entity has estimated a liability of AED 2.31 million on account of interest and penalty thereon as determined under voluntary disclosure form. The actual amount of such liability is not ascertainable as at the date of the financial statements.

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's financial statements as of reporting date

28 Events after year end

Due to COVID 19 and its widespread impact on the global economy, the financial impact on the business remains uncertain. The Management of the Entity is planning to take reasonable measures to protect its interests and minimize the impact on the business. However, due to uncertainty beyond Management's control, the financial impact of the situation cannot be ascertained.