Medi Assist Healthcare Services Limited
Annual Report **2022-23**

Medi Assist™

# Enabling Access to Better Healthcare

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## Corporate Overview



## Statutory Reports



## Financial Statements

### Standalone Financial Statements



### Consolidated Financial Statements



31.3%

21-23 CAGR in Premium Serviced

28.2%

Total revenue Y-o-Y growth

31.2%

EBITDA Y-o-Y growth

19.0%

PAT (YoY growth)

₹145+ Bn

Premiums under management

9,500+

Corporates served

### Message from CEO and Whole Time Director

At Medi Assist, our proficiency in data handling positions us advantageously to leverage this information, driving transformative changes across various facets.

018-019

### Being a Responsible Business

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### Financial Statements

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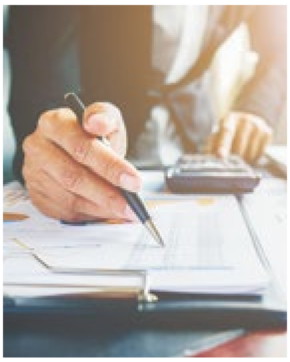


**Forward-looking statements**

Medi Assist TPA completed the acquisition of Medvantage TPA, a private limited company currently engaged in the business of adjudicating claims for health insurance companies as a licensed third party administrator as permitted by IRDAI, on February 13, 2023. As we were in the process of integrating Medvantage TPA in our operations, all quantitative information included in this section for the period from February 13, 2023 until March 31, 2023 does not include data for Medvantage TPA, except health insurance premium (combined group and retail), premium managed for group accounts and number of group accounts. Similarly, on November 25, 2022, our Company completed the acquisition of Mayfair UK and subsequently all subsidiaries of Mayfair UK as on that date became our Subsidiaries. Mayfair UK is currently engaged in the business of providing global administration services focussed on health, wellness and related assistance services.

**Disclaimer**

Data points across the report refer to Medi Assist subsidiaries or holding as applicable

For more information, please, visit our corporate website: **www.https://www.mediassist.in/**

**The insurance sector has undergone profound changes in a tech-enabled and hyper connected world. Our focus is to act as an enabler to fulfil today's needs and prepare for tomorrow's aspirations. We are constantly sharpening our strategies to drive change and invest in such processes that help in making healthcare affordable.**

At Medi Assist, keeping the client at the core of our strategic endeavours, we are delivering quality services, empowering customers with insightful information, integrating with various ecosystem partners through efficient technologies and above all enabling access to better healthcare.

Medi Assist

# Playing a Crucial Role in the Health Insurance Ecosystem

## We act as a critical enabler in the entire healthcare insurance ecosystem and link our performance to a successful healthcare journey for our members.

**Through our diverse offerings, we serve as an important intermediary and facilitate insurance access among each stakeholder:**

**There are several key stakeholders in the healthcare insurance industry in India, including but not limited to:**

### Insurers

Insurance companies including Private and Public and private sector companies.

### Sponsors

Government, Employers, Affinity Groups, and Individual Policy holder

### Intermediaries

TPAs, Brokers, Agents, Online Aggregators

### Healthcare Providers

Hospitals, Clinics, Diagnostic Centers, Nursing Homes, and Wellness Centers

### Beneficiaries/ Members

Employees, Group Members, Individuals, Family members

### Tech Players

Insurtechs, SaaS providers, Healthtech Aggregators

## Motto

## 'Every Employee A Partner, Every Customer A Commitment'

A business is nothing without defined values that inspire each one of us every day. Our core values help us live up to that motto every day so our employees, partners and customers always get the best from us.

## Vision

Medi Assist aims to deliver informed healthcare decisions to a billion lives connected by our technology, partnerships and human touch.

## Mission

To be the most trusted partner for technology-led healthcare solutions. To be committed to the personal growth and recognition of each MAven and provide an environment that promotes team work, high performance, empathy and keen sense of social responsibility.

## Core values

### Honesty, Integrity and Respect

Our integrity is important to us; we do not compromise it. We trust and respect each other even when we disagree. We are honest and truthful in our actions.

### Positive Environment

We foster talent with opportunities to grow and learn. We believe in taking initiative, being challenged and giving 100%.

### Customer Driven

We stay true to our commitments made to our Customers. It is equally important to retain customers as winning new ones.

## Numbers that matter*

**14,000+**
Provider Partnership

**6+ Mn**
Claims Intimated

**₹145+ Bn**
Premiums under management
(Group & Retail Premiums, excluding government schemes)

**36**
Insurer Partnerships

**141**
Countries with network

*Numbers as of 31st March 2023

# Business Overview

Our primary clients are insurance companies; however, we also serve as an intermediary between

- General and health insurance companies and the insured members
- Insurance companies and healthcare providers (such as hospitals)
- The Government and beneficiaries of public health schemes

We managed ₹145,746.49 million of health insurance premiums (group and retail) as at the end of Financial Year 2023. As of March 31, 2023, we work with 36 insurance companies in India and globally.

## Group

We worked with over 9,500 group accounts across sectors to help administer the insurance requirements of their employees.

For the Financial Years 2021, 2022 and 2023, our revenues attributable to our group accounts portfolio amounted to ₹2,126.94 million, ₹2,802.78 million and ₹3,757.32 million, and aggregated to 65.90%, 71.17% and 74.41% of our revenue from contracts with customers, respectively.

## Retail

We also service individual insurance policyholders. For the Financial Years 2021, 2022 and 2023, our revenues attributable to our retail portfolio amounted to ₹494.68 million, ₹579.84 million and ₹570.29 million, and aggregated to 15.33%, 14.72% and 11.29% of our revenue from contracts with customers, respectively.

## Government

We work with the Central Government, various State Governments and certain government agencies to administer public healthcare programs. As of March 31, 2023, we serviced 15 government-sponsored insurance schemes covering over 177.53 million lives. During the Financial Years 2021, 2022 and 2023, our revenue from contracts with customers attributable to servicing government-sponsored insurance schemes (excluding card processing) was ₹499.25 million, ₹471.15 million and ₹536.19 million, aggregating to 15.47%, 11.96%, and 10.62% of our revenue from contracts with customers, respectively.

# Strengths

# Our leading market position, technology-enabled ecosystem, longstanding relationships with insurers, hospitals and corporates and pan-India presence, makes us well positioned to take advantage of the growth in overall health insurance market.

- Our Company has particularly maintained its market-leading position in premium under management in India's overall group health insurance segment from FY 2020 to FY 2022. We have developed a pan-India healthcare provider network, which, as of March 31, 2023, comprises 14,301 hospitals across 967 cities and towns and 32 states (including union territories) in India, and a network of 141 countries globally. We serviced over 9,500 group accounts with premium under management of ₹128.18 billion for the Financial Year 2023.

- We have developed a longstanding client base of insurance companies where our clients trust us and rely on the services we provide, our technology infrastructure and expertise built over several years of experience for day-today aspects of their businesses. The average term of our relationship with the 4 PSU insurance companies was 20 years and with 22 non-PSU sector insurance companies was 10 years, as of March 31, 2023.

- The total number of claims intimated to us between Financial Years 2021 and 2023 has grown from 3,134,056 to 6,090,526 at a CAGR of 39.40%. However, on account of increased use of technology across the various steps involved in processing claims such as data capture, data tabulation, rule engines, insurer integration and fraud detection, we have seen increased volumes without a proportionate increase in our costs. Furthermore, we have improved our claims processing platform in terms of increased accuracy of output and throughput capabilities for handling increased volumes while maintaining turnaround times.

- We have deep integration with several hospital portals and during the FY 2023 8,426 hospitals submitted their claims to us online, respectively. For the year ended, 91.03% of cashless claims submitted by hospitals were made online as compared to 83.00% in the FY 2022 and 73.85% in the FY 2021.

- In addition to generating organic growth opportunities, we have a demonstrated history of integrating acquisitions with our business and consolidating our position in the health insurance industry. We follow a disciplined and opportunistic approach to acquisitions, and our track record of efficiently integrating acquired businesses, realizing cost synergies, and consolidating our position in the market is a testament to our expertise. Our ability to consolidate acquisitions has been a key strength, enabling us to continue to deliver superior value to our customers and stakeholders.

# Adapting to Industry Dynamics: India's Health Insurance Sector

The growth of health insurance services in India is driven by increased awareness of health coverage benefits, expanded insurance company presence in tier 2 and 3 cities, government initiatives for universal health coverage, and rising healthcare costs due to factors like medical inflation, increased claims, regulatory changes, and pandemic-related strategies.

## Employee Benefits Drive Growth

In India, the growth in health insurance is increasingly driven by employer group policies, marking a shift towards more employee-focused approaches in companies. While government schemes continue to cover a broad population, the rise in group policies highlights a growing emphasis on employee health and wellness benefits. This trend is reshaping the insurance sector, with the retail sector's share expected to decline as more employees and economically vulnerable groups are covered by employer and government schemes. This shift signifies a deeper commitment to employee welfare, crucial for a resilient workforce and a dynamic insurance market.

## Digital Transformation

The Indian healthcare sector is embracing digital transformation, with both government and private entities recognising the need for digital platforms. This shift aims to bridge gaps in resources, access, and affordability while enhancing service quality and stakeholder experience. Initiatives like DigiLocker, Health Wallets, Ayushman Bharat Health Accounts, and Bima Sugam are central to this transformation, offering streamlined document management and secure health information storage, facilitating easier access to healthcare services.

## Medical Inflation

Medical inflation in India, significantly outpacing general inflation, poses a challenge. This has led to a growing reliance on insurance, with innovative products like top-up policies and riders being increasingly adopted. These products help manage healthcare costs more efficiently, offering a way to mitigate the impact of rising medical expenses.

## Increased Adoption

The COVID-19 pandemic significantly boosted health insurance penetration in India, especially in group policies. This increase is attributed to heightened awareness of health risks, escalating healthcare costs, and government-sponsored schemes like Ayushman Bharat, which aim to provide coverage to vulnerable sections of society.

## Out-of-pocket Expenditures

India's reliance on out-of-pocket (OOP) expenses for healthcare is notably high compared to other Asian countries and far exceeds WHO recommendations. This reliance places substantial financial strain on households, underlining the importance of expanding insurance coverage to reduce the burden of healthcare costs.

## Healthcare Resources

India's healthcare infrastructure, especially in rural areas, is lacking. The country falls short of WHO guidelines for hospital bed density, with a significant disparity between urban and rural areas. This shortfall highlights the urgent need for improvement in healthcare facilities, particularly in providing primary healthcare access to the rural population.

Medi Assist

# Adapting to industry dynamics: India's health insurance sector

## Evolution of Digital-First Insurers & Brokers

The insurance sector in India is witnessing a significant shift towards digital-first insurers. These companies focus on using digital technologies and channels for service delivery, emphasizing automated and technology-enabled customer experiences. This approach not only enhances customer-facing processes but also improves backend operational efficiency. The shift in customer preferences towards online policy purchases and the demand for 24/7 customer support have propelled the growth of these digital-first entities. Additionally, the increase in online transactions has facilitated greater data capture and analytics capabilities.

## Government's Elevated Role in Driving Growth

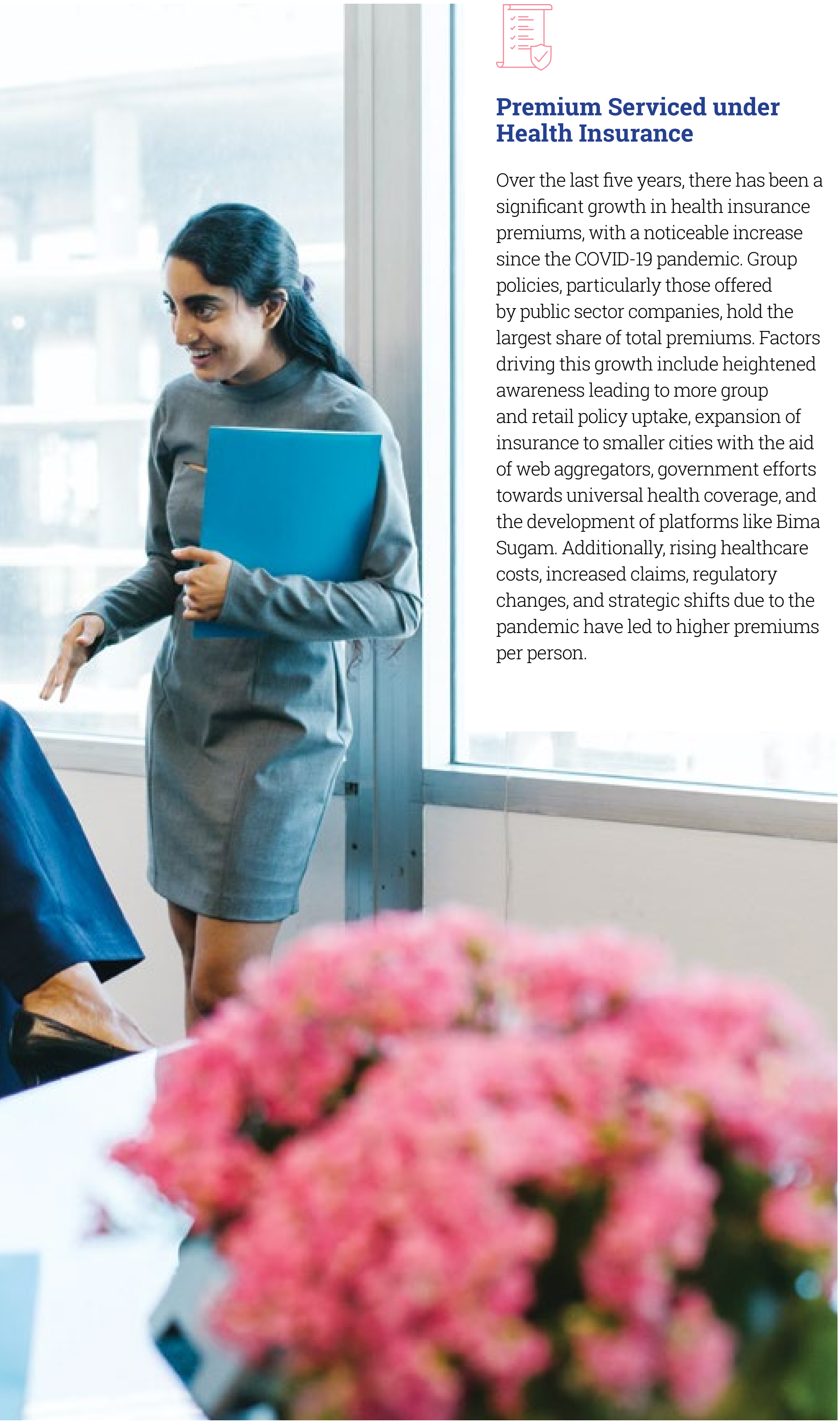
The Indian government plays a crucial role in increasing insurance penetration and coverage, alongside supporting infrastructural development and policy reforms to boost the sector's global relevance. Key initiatives include the National Digital Health Mission for data-driven healthcare insights, Ayushman Bharat for comprehensive health coverage, the development of GIFT City to aid industry growth, and the liberalisation of FDI limits in the insurance sector, which increased to 74% for insurance companies and up to 100% for intermediaries.

## Overseas Medical Policies Surpass Pre-Pandemic Levels Growth

The increase in income levels in India has led to more Indians traveling abroad for various purposes. This rise in international travel has heightened the demand for health insurance, predominantly provided by private general insurers. Consequently, there's been a growth in the gross premium for this sector, indicating a recovery and growth trajectory surpassing pre-pandemic levels.

## Regulatory Changes Present New Growth Opportunities

Regulatory changes are opening new growth avenues in the Indian insurance sector. Standardising policy terms for better understanding, introducing health insurance portability, and capping insurance agent commissions are simplifying insurance purchases, aiding in market penetration. Recent policy innovations like regulatory sandbox and increased tie-up limits for intermediaries are enabling insurers to innovate, simplify business processes, and expand market reach.



## Premium Serviced under Health Insurance

Over the last five years, there has been a significant growth in health insurance premiums, with a noticeable increase since the COVID-19 pandemic. Group policies, particularly those offered by public sector companies, hold the largest share of total premiums. Factors driving this growth include heightened awareness leading to more group and retail policy uptake, expansion of insurance to smaller cities with the aid of web aggregators, government efforts towards universal health coverage, and the development of platforms like Bima Sugam. Additionally, rising healthcare costs, increased claims, regulatory changes, and strategic shifts due to the pandemic have led to higher premiums per person.

## Innovation in the Health Insurance Sector

Indian health insurers are exploring the use of individual data to customise policies and pricing. There is a growing trend towards incentivizing healthy behaviors, like regular exercise and balanced diets, and participation in wellness programs, especially for chronic disease management. The sector is also moving towards value-based care partnerships, aiming to incentivize high-quality healthcare for better patient outcomes. The success of these initiatives hinges on the availability of quality data, with Third-Party Administrators (TPAs) playing a crucial role. TPAs can capture and analyze comprehensive data across the health insurance ecosystem, from underwriting and risk assessment to the occurrence of medical events and procedures, covering a wide range of demographic, medical, and financial information.

# Technology as a Differentiator

India's Health Benefits Administration sector is experiencing rapid changes, and technology has become a valuable resource for companies to stand out from the competition. Implementing advanced technological solutions on a larger scale can help TPAs simplify their operations, improve customer experiences, and increase overall efficiency.

**Automating and Streamlining Processes:** As IRDAI mandates health insurance claims to be settled within 30 to 45 days, TPAs leverage technology to automate and streamline their core processes, improve efficiency, reduce turnaround times, and meet the mandates as above..

**Advanced-Data Analytics:** The abundance of data generated in the TPA industry holds immense potential for actionable insights.

**Digital Customer Experience:** TPAs create easy-to-use web and mobile apps for submitting claims and tracking their status in real-time. Chatbots and virtual assistants offer personalised assistance, leading to greater satisfaction.

**Handling Complexity:** Insurance companies are introducing new and innovative policies as they strive to differentiate themselves. It can sometimes lead to increased complexity, but third-party administrators

**Data Management and Integration:** Technology enables TPAs to efficiently collect, store, and analyse large volumes of data from various sources, such as healthcare providers, policyholders, and insurers.

**Scalability and Availability of Systems:** TPAs must use technology to ensure system availability and meet client demands. Downtime can harm operations and reputation, so TPAs implement redundant systems, load balancing, and disaster recovery plans.

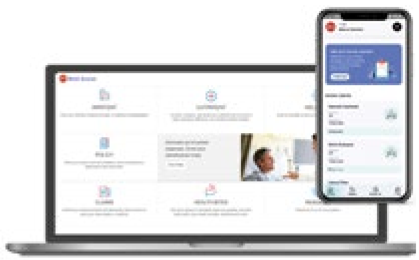
**Cybersecurity and Data Privacy:** Protecting personal and healthcare data in the TPA industry requires strong cybersecurity measures. Technology can help with secure data storage, encryption, and access controls.

## Our Technology Infrastructure

Our technology infrastructure is scalable, comprehensive, customised, easy to use and secure. Our technology platforms include our Medi Assist portal, mobile applications, third party platform connectivity and interfaces. Our technology-driven infrastructure and services are developed by us and assist the operations of insurance companies, hospitals, insurance brokers, insurance agents, insured members and corporates.

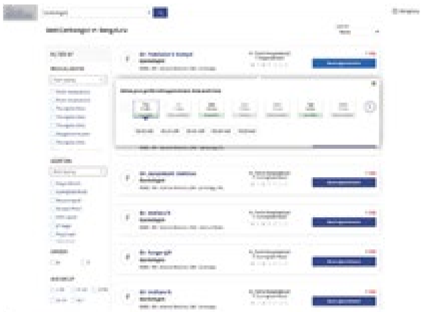
The technology platforms result in a simplified user experience for the insured members; helps insurance companies obtain faster and more accurate processing, increased detection of fraudulent cases, lowering medical cost inflation and providing better insights for product design and pricing; and assists hospitals with faster collections, revenue reconciliation, forecasting and better utilisation of their capacity.

### Member Benefits Platform



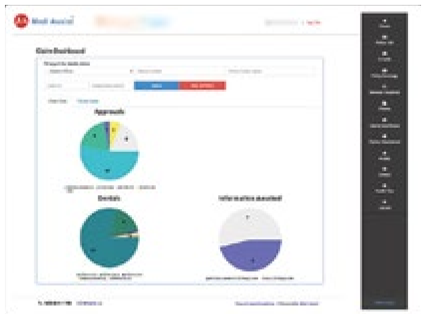
Our Member benefits platform is a secure environment that allows members to review their coverage, download documents like benefit schedule and member guide, and gives them access to the provider finder and online claim submission process. The platform is private and secure.

### Outpatient Benefits Platform



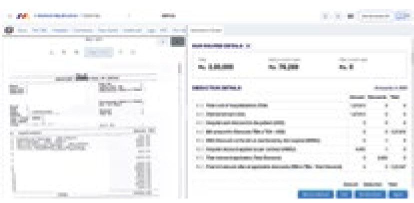
Our outpatient benefits platform is a gateway to cashless, affordable, and accessible outpatient medical benefits. The outpatient platform is deeply integrated with the member benefits platform.

### Payer platform



Our payer platform accelerates payers' health insurance innovation journey. We offer an end-to-end core administration platform for small and large health plans to modernise their systems at scale and introduce new products quickly.

### Claims Management Platform

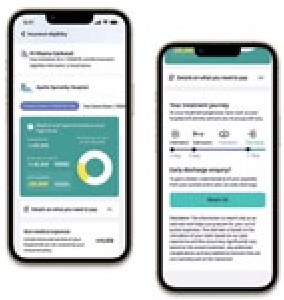


Our claims management platform simplifies claims processes for customers, employees, agents, and third parties with an innovative solution to address a common industry problem — improving claims service while reducing costs.

### Analytics and Insights

We leverage data analysis to identify factors driving losses, ensure proper billing by providers, and strengthen investment strategies with data-backed evidence. We mitigate risk by using advanced analytics to anticipate high-cost patients and detect fraudulent behaviours within claims data. It also helps in tracking and visualising essential business metrics.

### Out of Pocket Expenses (OOPE) Platform



Our Out of Pocket Expenses (OOPE) platform utilizes cutting-edge AI/ML technology and insights derived from extensive hospitalization data to revolutionize your healthcare experience. Our primary goal is to empower the insured by predicting medical expenses even before hospitalization, providing them with the knowledge to make well-informed choices, safeguard their financial well-being and enhances transparency in healthcare costs.

# Leveraging Our Technical Prowess and Automation

Technology expertise has been, and will continue to be, vital to our success and continued growth. Our ability to simultaneously deliver significant value to all constituents of the health insurance ecosystem is deeply rooted in our own purpose-built, modern, scalable technology platforms and applications that power all aspects of our operations, including engaging insured members, hospitals, insurance companies, insurance brokers and agents, group accounts, and advancing our business objectives efficiently and promptly.

We use technology, including leveraging our domain expertise and scale, to continuously improve our operational efficiencies. For example, our technology platforms have enabled us to steadily increase our volume of transactions, type and number of claims processed and claims auto adjudicated without having to correspondingly increase our employee base, thus optimising operating expenses and driving profitability in the past few years.

On our portals, insurance companies have real-time access to claims processed and can view documents submitted and queries raised, among others. Insurance companies can study trends, compare historical performance, conduct analysis and make informed decisions to optimise their health benefits portfolio.

0.50

Voice calls per claim

34.65%

Claims auto adjudicated

15,783

Insurance agents were registered on Medi Assist's portal

91

Brokers on Medi Assist's portal

Data as of 31st March 2023

We also leverage our technology-enabled platform to effectively manage increased volumes while maintaining high levels of service and accuracy. We have also begun to utilise artificial intelligence and machine learning to augment our fraud detection capability, which strengthens the reliability and integrity of our claims processing operations.

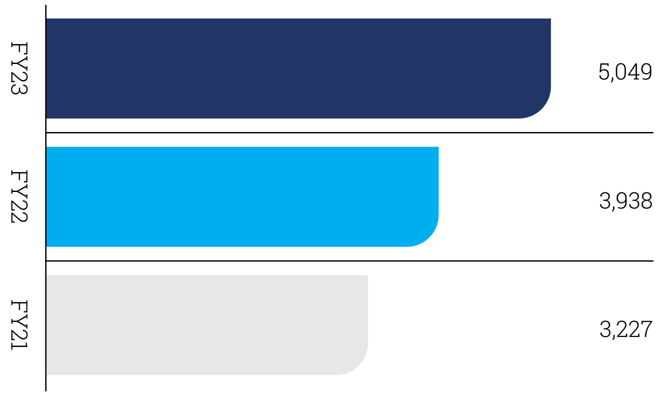
We provide SaaS technology solutions to insurers, thereby enabling them to benefit from scalability, cost savings and flexibility in their operations. These solutions also help insurers streamline their operations. As some of our clients prefer to process claims in-house, we have devised a customised SaaS offering through which clients can avail our services, including network access and the benefits of our technology platform including claims processing and fraud detection for internal processing, and on which we have on-boarded insurers thus far with the aim to further expand this offering.

We have developed a longstanding client base of insurance companies where our clients trust us and rely on the services we provide, our technology infrastructure and expertise built over several years of experience for day-to- day aspects of their businesses. Our technology and operational capabilities have also allowed us to seamlessly integrate acquisitions, enhancing customer experience, optimising efficiencies, and ensuring cost optimization.

# 3 Year Performance

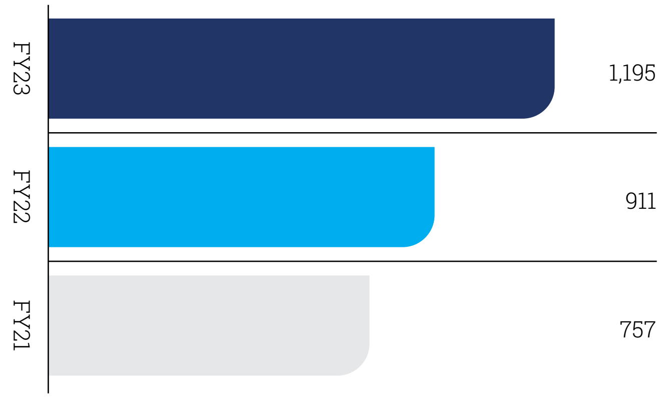
**Total Revenue***
(₹ in million)

**28%**
YoY Growth



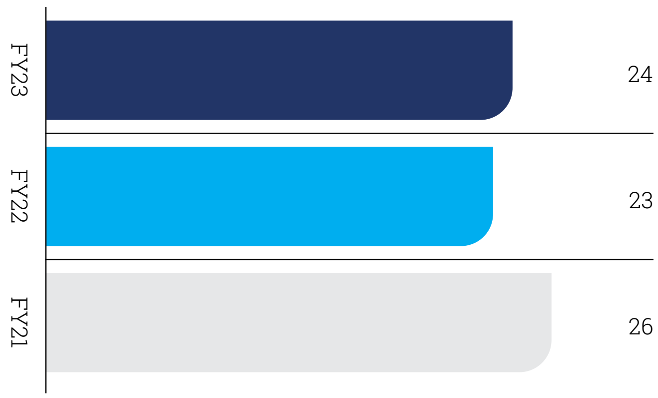

**EBITDA**
(₹ in million)

**31%**
YoY Growth



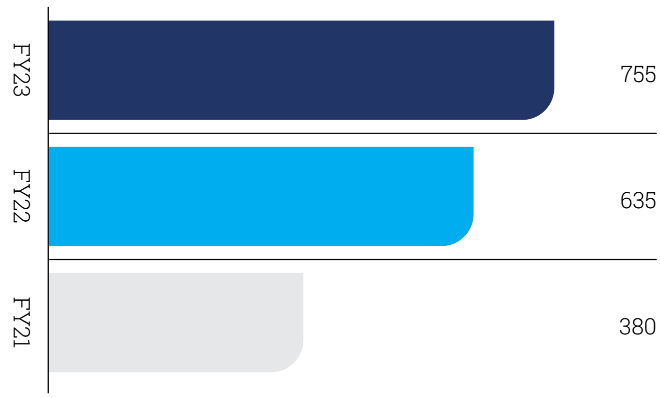

**EBITDA Margin**
(in %)

**24%**
FY 23




**PAT**
(₹ in million)

**19%**
YoY Growth



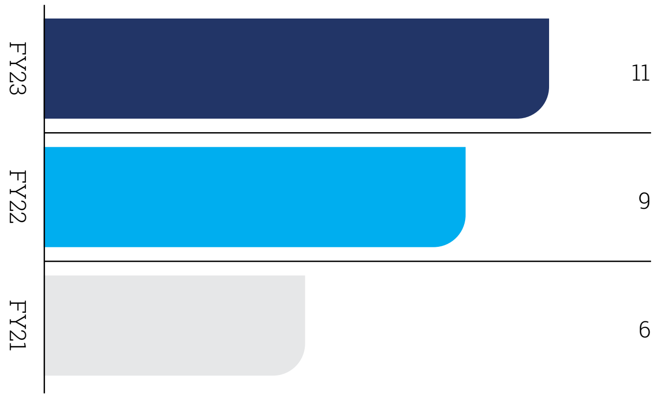

*Excluding other income

## PAT Margin
(in %)

**15%**
FY 23

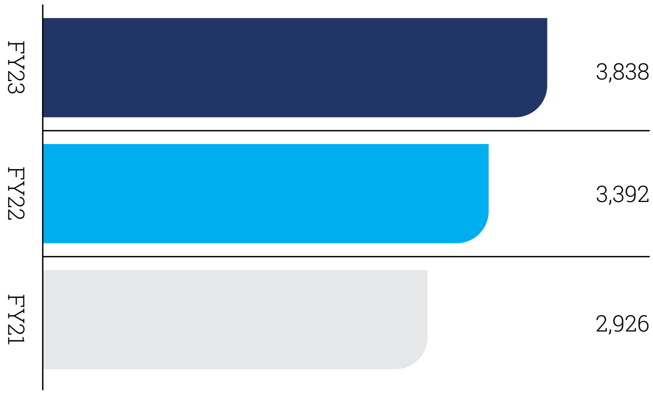

## EPS
(in ₹)

**19%**
YoY Growth



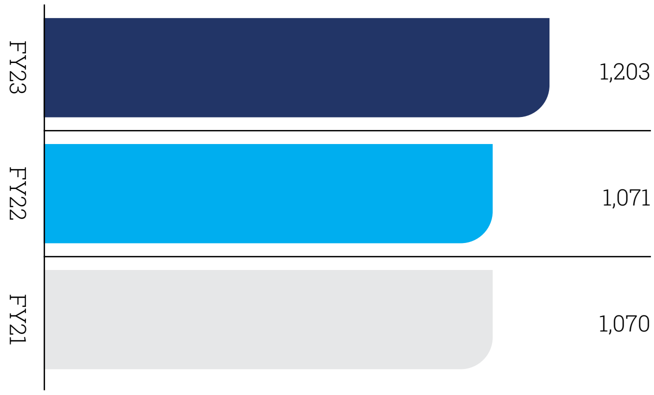

## Net worth
(₹ in million)

**13%**
YoY Growth




## Operating Cash Flow
(₹ in million)

**12%**
YoY Growth



# Message from CEO and Whole Time Director

**Satish Gidugu,** CEO and Whole Time Director

## Dear Shareholders,

The fiscal year 2022-23 was eventful in the insurance industry. Medi Assist played an important role in participating, supporting and furthering various initiatives. We continued to showcase our fundamental values in all aspects of our work, reached some remarkable milestones, and played a pivotal role in shaping the landscape of India's health benefits administration/third party administration sector.

I take immense pride in acknowledging our team's unwavering commitment in consistently steering exceptional outcomes that elevate our shareholders' value. We reaffirm our commitment to upholding top-tier corporate governance, transparency, accountability and safeguarding the interests of our stakeholders at every juncture.

## Exhibiting Strength and Resilience:

Medi Assist is managing India's largest health insurance portfolio as a TPA across retail, group and government segments.

As of FY2023, Medi Assist had a market share of 17.26% in gross premium serviced across Group and Retail Policies, of the total health insurance market. Furthermore, Medi Assist commanded a market share of 14.83% of the retail health insurance market and 41.71% of the group health insurance market, and a cumulative retail and group segment share of 33.67% serviced by Third-Party Administrators (TPAs), as of FY 2022.

Our management of health insurance premiums surged to ₹145 billion (Medi Assist + Medvantage) by the close of FY 2023, exhibiting a commendable Compound Annual Growth Rate (CAGR) of 35.67% from ₹84 billion in FY 2021. Collaborating with 36 insurance companies globally, our revenues from group accounts have been consistently growing, reaching ₹3.7 billion, comprising 74.41% of our total revenue from contracts with customers in FY 2023.

## Strategic Growth and Acquisitions:

We have strategically manoeuvred to consolidate our leadership position and expand our market share through targeted M&A activities. Recent successful acquisitions, including IHMS, Mayfair India, Mayfair UK, Medvantage Insurance TPA Private Limited, and have augmented our leadership position in India and given us access to a global network. Mayfair UK, with over two decades of global benefits administration experience, managing members across 138 countries. This will be further strengthned by addition of Raksha to our portfolio for which we are waiting for approval from IRDAI. Our growth strategy remains focused on the following four pillars—maintaining leadership in group accounts, pursuing inorganic growth opportunities, enhancing technology platforms, and increasing our share in the retail segment—form the pillars of our strategic roadmap.

## Innovation in Health Insurance

The Indian Health Insurance Sector has witnessed innovative strides, from wearables and mobile apps to wellness-centric products and value-based reimbursement models. Innovations encompass personalised plans, wearable health-tracking devices for extended coverage, incentivised healthy behaviour, managed care models strengthening insurer-provider relationships, and value-based care delivery.

The success of these initiatives hinges significantly on the availability of high-quality data, which remains a prerequisite. Our distinctive positioning empowers us to provide robust support to insurers through comprehensive data analysis within the health insurance ecosystem. We excel in capturing, analysing, and operationalising data across various dimensions, ranging from underwriting and risk estimation to monitoring real-time incidents and medical procedures. Our capabilities extend to diverse data facets, including demographics, medical specifics, and even financial details, on a comprehensive scale.

At Medi Assist, our proficiency in data handling positions us advantageously to leverage this information, driving transformative changes across various facets. This includes crafting enhanced value propositions across novel touch points, elevating member experiences, augmenting healthcare value, fostering technological innovations, and ensuring operational efficiency—all while upholding the integrity and quality of the data we manage.

## Tech-Infused Operational Excellence- AI-Powered Efficiency & Enhanced Client Satisfaction

Focused investments in technology infrastructure have allowed us to deliver operational efficiencies at scale. Our strategic emphasis on AI and data analytics enhances predictive capabilities in the areas of claims processing, fraud detection, and optimising operations. Automation-driven claims processing reduces manual intervention and improves our turnaround times. We continue to empower our members with self-help tools and the number of times our members have to call us per claim has been steadily declining year on year.

## Empowering Healthcare- Robust Network, Efficient Claims, and Cost Savings

Our extensive pan-India healthcare provider network as on March 31, 2023, comprising 14,301 hospitals across 967 cities and towns in 32 states, continues to deliver a seamless cashless experience to our members. The consistent increase in claims from the network, where we have negotiated rates and preferential packages, has played an important role in managing medical inflation in our portfolio.

As a result of our favourable network pricing and tariffs, 23 general and health insurance companies avail of negotiated discounted rates across our provider network, of which 14 exclusively use our network. The total value of savings for insurance companies on account of using such discounted rates was ₹2.24 billion, ₹3.76 billion and ₹4.18 billion in the Financial Years 2021, 2022 and 2023, respectively. In addition to negotiated discounts, we also negotiate packages for common medical procedures.

Our technology integrations with various exchange platforms facilitated online claim submissions, with 91.03% of cashless claims submitted online, streamlining the claims process significantly.

## Driving Growth through Teams and Talent

Sustained organisational success thrives on unwavering allegiance to values transcending into business metrics and Medi Assist's journey of growth is a testament to this. The achievements, milestones, and accolades outlined above were accomplished by our highly motivated MAvens. The growth of our talent pool, enriched by strategic acquisitions, remains a key driver of our success.

## Empowering Communities- Advocating Healthcare, Education, and Livelihood Enhancement

Our dedication to social responsibility extends through our commitment to promoting healthcare awareness, education, and improving livelihoods. Collaborations with partners like Healing Fields and Parikrama Foundations exemplify our efforts in supporting and empowering communities. This collaboration enables us to channel resources and initiatives towards fostering better healthcare access, educational opportunities, and sustainable livelihoods, aligning with our corporate social responsibility ethos.

## Charting Our Course- A Forward Vision

As I conclude, we are thrilled to present Medi Assist's Annual Report for FY 2023, encapsulating a year marked by significant achievements, robust growth, and unwavering commitment to our stakeholders. Our organisation's success finds its foundation in the quality, commitment and skills of our workforce. Their consistent delivery of exceptional results has continuously elevated shareholder value. Looking forward, we hold a strong belief in our capability to adeptly navigate the dynamic changes within the health insurance industry. We express our heartfelt gratitude for your ongoing trust and support.

Best regards,

**Satish Gidugu**
CEO and Whole Time Director

# Scalable Technology-enabled Infrastructure Addressing the Needs of all Constituents of the Health Insurance Ecosystem

**Cost Leadership:** We use technology, including leveraging our domain expertise and scale, to continuously improve our operational efficiencies. Our technology platforms have enabled us to steadily increase our volume of transactions, type and number of claims processed and claims auto adjudicated without having to correspondingly increase our employee base, thus optimising operating expenses and driving profitability in the past few years.

**Insurer Benefits:** On our portals, insurance companies have real-time access to claims processed and can view documents submitted and queries raised, among others. Insurance companies can study trends, compare historical performance, conduct analysis and make informed decisions to optimise their health benefits portfolio.



**Insured Member Experience:** Our technology platforms offer to corporates and their employees enrolment and modification of beneficiaries, enrolment and administration of flexi-benefits, pre-authorization to avail policy benefits, customised and security integration with the corporate intranets, scheduling appointments, submission and reimbursement of claims and cashless claim settlement.

**Offerings for Healthcare Providers:** We have deep integration with several hospital portals, and healthcare providers utilise our integration with such portals for submission of pre authorisation requests, claims submission and tracking, dashboards across claims, payment reconciliation and tracking.

## Our Differentiators

### Competitive rates/ contracts

We provide innovative solutions that maximise healthcare benefits.

### Customer experience

We provide a variety of digital platforms to improve user experience.

### Optimum benefits

Optimum benefits in-house technology expertise and ownership of our proprietary technologies enable us to integrate into other fosystems and services to enhance our competitive position

### Prevention of fraud and abuse

We utilize artificial intelligence and machine learning to augment our fraud detection capability, which strengthens the reliability and integrity of our claims processing operations.

**₹136 Bn**

Value of claims processed in FY23

**₹145+ Bn**

Premiums under management

(Group & Retail Premiums, excluding government schemes)

# Our Other Services

We provide a vast range of technology-based services to insurance companies, corporates and their employees, individual policy holders, hospitals, insurance brokers, insurance agents. Other non-technology-based services (many of which are also provided on our platform and applications) to insured members include:

### Hospitalization services

We provide insured members with a range of options such as hospitals, day care centres and nursing homes for the purpose of seeking treatment for their ailments and benefits covered in their insurance policies. We also process claims of such insured members who have not opted for cashless services or who have availed treatment from hospitals outside our network.

### Customer relations and contract management services:

We have a dedicated team that obtains relevant documentation from insured members and addresses their grievances.

### Cashless facility

Our cashless facility enables insured members to avail cashless healthcare services with certain hospitals in our network.

### Call centre services

We operate a call centre to assist insured members and have a dedicated toll-free number for claim servicing and addressing general queries. We also provide alerts to insured members through auto generated SMS, Email, WhatsApp message facilities. During the Financial Year 2023, we answered 4.24 million calls (excluding public health schemes).

4.24 Mn

Calls answered

### Insurance companies

We provide management information system reports to insurance companies periodically, which include information regarding enrolment, pre-authorisation, claims settlement and re-imbursement. We use business analytic tools to help improve the efficiency and utilization of their insurance products.

### Medical concierge

Claim processing services: These services include receiving claim intimations from insured members, collecting and scrutinizing claim documents, issuing claim IDs, receiving pre-hospitalisation and post-hospitalization claims and processing and settling such claims.

### Government schemes

We service certain government-sponsored insurance schemes and assist with the enrolment of beneficiaries. We also undertake various initiatives to increase awareness of such public welfare programs. We facilitate the enrolment of insured members as per the eligibility criteria set out under the public healthcare program and distribute identification cards. We also periodically provide management information system reports to the relevant government agencies.

### Billing services

We coordinate with hospitals to obtain bills for the services that they have provided to insured members and submit such bills to insurance providers after processing and verification, who in turn directly settle such amounts with the relevant healthcare provider.

# Serving Partners/policyholders Across the World

Medi Assist provides a network of service providers across insurers, policyholders, and benefit plan participants, encompassing the spectrum of primary to quaternary healthcare and spanning the whole country and multiple international locations.

**Global Presence**

India
Australia
Philippines
UK
Singapore

Map not to scale. Only for representation purpose

138

Managing members across countries

141

Network across countries

81

Offices pan India
(including govt. scheme offices)

14,000+

Hospitals Pan-India

36

International and domestic Insurers

5,400+

Employees

**Corporate Offices**

Bangalore

**Regional Offices**

Delhi
Kolkata
Mumbai
Bangalore
Chennai

# Being a Responsible Business

At Medi Assist, we are driven by a commitment to responsible business practices that encompass not only our environmental impact but also our dedication to the well-being of our employees and the highest standards of corporate governance.

### Fostering a Culture of Integrity and Transparency

At Medi Assist, we recognize that good governance, accountability, and transparency are the cornerstones of a responsible business. Upholding the highest standards of ethical behaviour and conducting accurate and transparent reporting are non-negotiables for us. We meticulously abide by all laws, rules, and regulations governing our operations.

## Caring for our people

**We aspire to be a thriving business that we can take pride in. Our commitment extends beyond profits; we aim to contribute to a sustainable and inclusive economy. Our dedication to our employees is a core pillar of our responsible business philosophy.**

**Medi Assist Team**

## Diversity and Inclusion

At Medi Assist, we understand that diversity is a strength, and inclusion is a practice that drives innovation and growth. Our commitment to diversity and inclusion is woven into the very fabric of our organisation. We respect and celebrate the unique differences among our employees, whether they pertain to age, race, gender, sexual orientation, religion, or abilities. Our efforts to ensure equal opportunities and foster innovation through diversity are a testament to our dedication to this essential aspect of responsible business.


**Diverse team**

# Corporate Social Responsibility

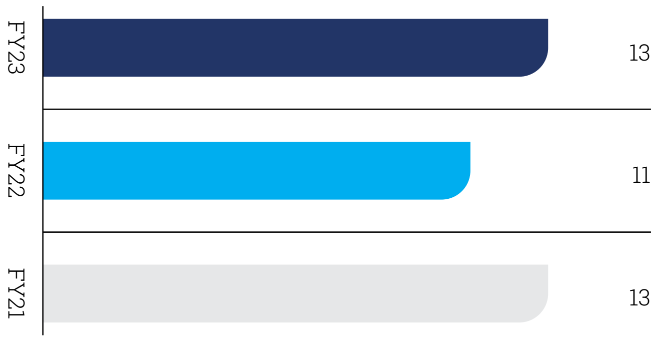
We have adopted a corporate social responsibility policy in compliance with the requirements of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by the Central Government, and have constituted a Corporate Social Responsibility Committee that is responsible for monitoring our corporate social responsibility policy from time to time.

Our CSR initiatives are aimed towards supporting the treatment of the underprivileged, promoting healthcare awareness, as well as promoting education, livelihood enhancement and employment enhancing vocational skills. In particular, our focus areas include a special focus on education of underprivileged girls and skill development, with preference to organisations that have an end-to-end view of the impact they are able to create.

The area for CSR activities is livelihood enhancement and employment enhancing vocational skills by way of providing training in a wide array of functional areas to persons at various locations of the Group across India.

## Movement of CSR expense

**Amount spent (₹ Mn)**





# Cyber Security and Data Privacy

## Our information technology security programmes are designed to meet the stringent needs of our business clients, insurers, and other stakeholders that entrust us with their sensitive data.

Our information security approach entails monitoring for viruses, patch management, removing elements of high risk, and ensuring adherence to disaster recovery run schedules.

We have established stringent data privacy and protection procedures throughout our operations and published a comprehensive privacy policy. Our bold steps help in shielding our systems from external threats.

To demonstrate our commitment to providing high-quality services, data protection, and compliance to privacy laws, for our existing and prospective customers, we have undergone the Intertek accreditation process for ISO/ IEC 27001:2013 Information Security Management Systems and general data protection compliance assessment.

**Periodic Assessments**

Third party certification and client assessments are conducted periodically in order to check our systems for any shortfalls, as well as demonstrate our ability to consistently comply with requirements and augment our capabilities. The information security and general data protection assessments have enabled us to develop efficient, performance-oriented data protection and privacy standards. In order to ensure conformance to data protection and privacy, we have completed assessments to measure and verify our commitments on the availability, confidentiality and integrity of the information. To minimize our exposure to cyber-attacks, we check both the infrastructure and applications for vulnerabilities, including by undertaking penetration tests. As an additional security measure, third party tests are periodically conducted. We also run our business continuity drill once a year and ensure that critical applications are made available on our DR site with agreed upon down time. Our focus on process improvement approach has helped us streamline process improvement and decrease risks in our information technology infrastructure.

## Expanding our media footprint

At Medi Assist, we believe that every platform offers a new opportunity and hence we have undertaken initiatives to strengthen our social media presence. With our digital strategies and our substantial presence on digital platforms we have been able create a positive impact.

ANI Press Releases

**Medi Assist launches chatbot on WhatsApp to deliver better health insurance experience to 4.4 crore beneficiaries**

ANI PR 02 September, 2022 06:13 pm IST

**Health insurance third-party administrator Medi Assist acquires Medvantage**

**Medi Assist's technological capabilities have empowered the entire insurance ecosystem**

**Data protection a key challenge for the healthtech sector: Himanshu Rastogi, CTO, Medi Assist**

# Awards

**Over the years, we have won several awards and accolades for our business and operational excellence. Some of the recent awards and accolades are provided below:**

Best Organisations for Women, 2022' by the Economic Times in 2022

Certificate of Appreciation for exemplary performance under the 'Chief Minister's Comprehensive Health Insurance Scheme – Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana' by the Government of Tamil Nadu in 2021

Best Brands, 2021' by the Economic Times received by Medi Assist TPA in 2021

Silver Level - Healthy Workplace Award 2020 by Arogya World India Trust in 2020

Dream Companies to Work for and Best HR Strategy in line with Business by Karnataka Best Employer Brand Awards in 2020; • Best Safe and Healthiest Place to Work Award by Arogya World in 2020

India's Best TPA 2020 from Insurance Alerts in November 2020

Top Organisations with Innovative HR Practices by Asia Pacific HRM Congress in September 2019

SKOCH Order of Merit Award for Innovation, SKOCH Awards covers the best of efforts in digital, financial and social inclusion and we were given a Merit Award for Innovation in the year 2016.

# Profile of Board of Directors

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Whole Time Director

Dr. Vikram Jit Singh Chhatwal is the Chairman and Whole Time Director of Medi Assist Group. He holds a bachelors' degree in medicine and surgery from Jawaharlal Nehru Medical College, Belgaum, degree of Doctor of Philosophy from the National University of Singapore, masters' degree in business administration in international management from Ecole Nationale des Ponts et Chaussées, Paris and a post-graduate diploma in public health administration from the Institute of Health Care Administration, Chennai. He was previously associated with Apollo Health Street, Indraprastha Apollo Hospitals, Reliance Capital Limited, Advent India PE Advisors Private Limited and was a member of the NUS President's Advancement Advisory Council. He joined Medi Assist in 2007 as an additional director.

**Satish V. N. Gidugu**
Chief Executive Officer and Whole Time Director

Satish V. N. Gidugu is the Whole Time Director and Chief Executive Officer of Medi Assist Group. He joined Medi Assist on October 7, 2013 as Chief Technology Officer and was re-designated as Chief Operating Officer of Medi Assist on January 12, 2015. He holds a bachelors' degree in technology (naval architecture) from the Indian Institute of Technology, Madras. He was previously associated with redBus (a part of MakeMyTrip Limited), SAP Labs India Private Limited and Intergraph Consulting Private Limited.

**Himani Kapadia**
Independent Director

Himani Kapadia is an Independent Director of Medi Assist. She holds a bachelors' degree in commerce from University of Mumbai. She also holds a certificate of practice from the Institute of Chartered Accountants of India. She is currently the managing director of OLIVER+ (Part of Oliver India and Inside Ideas Group), and was previously associated with Publicis Groupe's digital operations in India as CEO for its agencies, Publicis Sapient and Digitas.

**Dr. Ritu Anand**
Independent Director

Dr. Ritu Niraj Anand is an Independent Director of Medi Assist. She holds a degree of Doctor of Philosophy from University of Mumbai. She was the senior vice president at Tata Consultancy Services and was involved with Tata Consultancy Services for over three decades.

**Anil Chanana**
Independent Director

Anil Chanana, an Independent Director at Medi Assist, holds a Bachelors' degree in Commerce (Hons) from Delhi University and is a associate member of the ICA. He completed a financial management program at Stanford University. With extensive experience in finance and IT, he formerly worked with Ansaldo Impianti SpA, and CMC Limited and has served as CFO at HCL Technologies for nine years (2008-2019).

**Ananda Mukerji**
Independent Director

Ananda Mukerji is an Independent Director of Medi Assist. He holds a bachelors' degree in technology (mechanical engineering) from the Indian Institute of Technology, Kharagpur and a post graduate diploma in management from the Indian Institute of Management, Calcutta. He was previously associated with ICICI Bank Limited, Firstsource Solutions Limited, and he is currently the executive chairman of Anunta Technology Management Services Limited.

**Gopalan Srinivasan**
Independent Director

Gopalan Srinivasan is an Independent Director of Medi Assist. He holds a bachelor's degree in commerce from the University of Madras. He is a Fellow member of the Institute of Cost Accountants of India and a fellow of the Federation of Insurance Institutes. He was previously the chairman cum managing director of United India Insurance Company Limited and chairman cum managing director for the New India Assurance Company Limited.

**Vishal Vijay Gupta**
Nominee Non-executive Director

Vishal Vijay Gupta is a Non-Executive Nominee Director on the Board of Medi Assist. He holds a post graduate diploma in management from the Indian Institute of Management, Calcutta. He is also an associate member of the Institute of Chartered Accountants of India. He is currently the Managing Director of BVP India Investors Private Limited, an affiliate of Bessemer Venture Partners and was previously associated with DSL Software Limited.

**Gaurav Sharma**
Nominee Non-executive Director

Gaurav Sharma is a Non-Executive Nominee Director on the Board of Medi Assist. He holds a bachelors' degree of technology (Textile Technology) from the Indian Institute of Technology, Delhi and a masters' degree in business administration from the Wharton School, University of Pennsylvania. He is currently head of India Investment Business at Investcorp India Asset Managers Private Limited. He was previously associated with Providence Equity Advisors India Private Limited and Deutsche Bank Securities Inc.

# Profile of Leadership Team

**Mathew George**
Chief Financial Officer

Mathew George was appointed as the Chief Financial Officer of our Company on March 3, 2021. He holds a bachelors' degree in commerce from Bangalore University. He is an associate member of the Institute of Chartered Accountants of India, has passed the Uniform Chartered Public Accountant examination conducted by the Colorado State Board of Accountancy and is a certified internal auditor with the Institute of Internal Auditors. He was previously associated with HCL Technologies Limited, Jumbo Electronics Company Limited (LLC), Cognizant Technology Solutions, Genpact India Private Limited, Sea Trucks Nigeria Ltd, GE Capital International Services and Accenture.

**Himanshu Rastogi**
Chief Technology Officer

Himanshu Rastogi was appointed as the Chief Technology Officer of our Company on December 1, 2018. He joined our Company on February 7, 2015 as Vice President – Technology and was re-designated as the Chief Information Officer on September 1, 2016. He holds a bachelors' degree in technology from Indian Institute of Technology, Roorkee. He was previously associated with IBM Global Services India Private Limited, CDC Software India Private Limited (formerly known as Pivotal Bangalore Software Development Private Limited), Photon Interactive Private Limited, Photon Infotech Private Limited and Sapient Consulting Limited.

**Nikhil Chopra**
Chief Business Officer

Nikhil Chopra was appointed as the Chief Business Officer of our Company on November 24, 2018. He had joined our Company as Head - MediBuddy Platform and Vice President – Infiniti of our Company on May 2, 2016. He has also been appointed as the whole-time director of Medi Assist TPA with effect from March 1, 2021. He holds a bachelors' degree in commerce (honours) from Osmania University and has been awarded a certification in Accelerated Sales Force Performance from the Indian School of Business. He was previously associated with IndusAge Advisors Limited and IndusAge Management Services Private Limited.

**Michail Chopra**

Chief Executive Officer,
Mayfair We Care

Michail Chopra is a successful entrepreneur and the founder and CEO of Mayfair We Care, which he and his father, Don Chopra, established in 1991. Their vision was to create a leading international insurance broker and claims administrator and to grow the company into a global enterprise. To date, Mayfair We Care has a presence in 8 countries across the world and has played a key role in developing its corporate relationships, compliance, and growth strategy.

Under Michail Chopra's leadership, the company has grown into a global enterprise with offices in India, the UK, Singapore, Australia, the Philippines, and representation in Indonesia, Malaysia and Thailand. Michail is particularly passionate about helping Indian enterprises extend health benefits to their employees abroad seamlessly, and through Mayfair We Care Ltd, he has helped global corporations save money through outsourcing their administration.

Michail's accomplishments demonstrate his expertise and dedication in providing world leading innovative solutions to his clients and the International Private Medical Insurance market in general.

**Simmi Singh Bisht**

Chief Compliance Officer &
Company Secretary

Simmi Singh Bisht was appointed as the Chief Compliance Officer and Company Secretary of our Company on February 18, 2023. She had joined our Company as Senior Vice President on January 9, 2023. She holds bachelors' degree in law and a bachelors' degree in commerce both from University of Mumbai and master's degree in law from Shreemati Nathibai Damodar Thackersey Women's Institute, Mumbai. She is also a qualified company secretary with the Institute of Company Secretaries of India. She has also completed the workshop on IPOs Procedures and Processes conducted by the BSE Training Institute. She was previously associated with Metropolis Healthcare Limited, Balaji Telefilms Limited, Ventura Textiles Limited, Pearls Dhanshree Infrastructure Private Limited, Elpro International Limited and IITL Projects Limited. She has been recognized as a powerful woman in Intellectual Property India in 2021 by WIPF Powerful Women in Intellectual Property and as one of the Best Leading Lawyers, 2022 by WIPF.

**Manmohan S Kalsy**

Business Operations &
Human Resources

Manmohan S Kalsy, was appointed as the President – HR and Business Operations of our Company on December 12, 2022. He holds a post graduate diploma in Business Administration from Institute of Productivity & Management, Roorkee, Uttar Pradesh. He was previously associated with Xerox India Limited, Shriram Industrial Enterprises Limited, Indian Shaving Products Limited (Gillette), Pepsico India Holdings Private Limited, Bharti Cellular Limited and United Breweries Limited.

**Nicholas Taylor**

Chief Operating Officer,
Mayfair We Care

Nicholas has worked for some of the global leaders in providing medical assistance and claims services for IPMI plans such as International SOS (London and Prague) and Allianz. Nick joined the organization in 2008 to build Mayfair's in-house claims capabilities globally and was made COO in 2015. In his role, Nick has opened offices in the Philippines, Singapore, and Melbourne. Nick lives and works in Queensland, Australia.

**Praveen Samariya**

SVP & Head - Engineering

Praveen comes with an impressive experience of 10+ years and is now the Senior Vice President of Engineering at Medi Assist. His impeccable career graph has been one that has only progressed exponentially. With an M. Tech degree, Praveen has been able to take up any challenge that came his way and delivered on each one of them in the most graceful and sophisticated manner.

He is quick to define architecture standards, adapt new technology stacks and develop processes for efficient and timely delivery to customers. Praveen's highly motivated and inspired spirit has helped him form high functioning and adept technology teams over the years.

**Niraj Didwania**

SVP - Strategy

Niraj is Senior Vice President - Strategy and heads M&A, Corporate Development, and Investor Relations at Medi Assist.

Niraj has a proven history of excelling in the financial and healthcare sectors with over 16 years of experience in investment banking and corporate development at leading institutions. At Medi Assist, Niraj leads inorganic growth and other strategic initiatives focused on driving long-term value creation across various stakeholders of the organization.

Niraj is a venture partner at Pureland ventures which is an early-stage Medtech Venture capital investor. He possesses a post-graduate degree in Finance from the University of Bombay, Advance Corporate Finance certification from IIM (A), and has completed a course in International Business from Cambridge University (CEE).

**Dr. Vijay Sankaran**
SVP & CMO

Dr. Vijay Sankaran is the Group CMO & Senior Vice President at Medi Assist. He comes with rich experience in managing all aspects of operations encompassing claims, underwriting, product development and client servicing in the Insurance industry, and 7 years as an Orthopedic Surgeon.

At Medi Assist, Dr Vijay is responsible for building highly competent medical teams across lines of business. He owns all process definitions that involve medical protocols, adjudication, outcomes-based contracting with the network leading to effective management of medical inflation experienced by our membership. Prior to joining Medi Assist, he was the Head of Product at Care Health Insurance. He has also led Underwriting, claims, etc. at companies like Religare and ICICI.

**Shivani Burman**
SVP & National Head

Shivani comes with over 20 years of versatile experience in Service & quality assurance, and customer retention. She has exhibited unmatched management skills, interpersonally and professionally, while also leading by example every chance she has gotten.

Shivani has an MBA degree from XLRI, Jamshedpur, post which she got her vast experience in healthcare and insurance. The same helped her understand and navigate the constantly evolving HealthTech sector. She is process-oriented and has developed a reputation for successfully pivoting businesses for growth. Shivani also has an insane ability to engage with senior business leaders, identify latent requirements, and evolve differentiated business, engagement & delivery models.

**Manish Vij**
SVP & National Head

Manish is the Senior Vice President of the Operations team at Medi Assist. His evident skills in Operational leadership and excellence can be witnessed constantly in his execution of any initiative that he undertakes.

With over 22 years of experience, Manish has shown exceptional management skills, professionally and interpersonally and possesses a true "Lead by Example" quality in him.

# Management Discussion and Analysis

## 1 MACROECONOMIC OVERVIEW

### 1.1 INTRODUCTION TO THE INDIAN ECONOMY

**A dynamic and diverse economy that has demonstrated resilience and potential for growth even during the pandemic.**

The Indian economy is the fifth largest in the world, with a Gross Domestic Product (GDP) of USD 3.4 trillion in FY 2022. It is expected to emerge as the fastest-growing major economy, with a growth rate of 8.67% over FY 2022-2028, outpacing the global growth of 5.01% during the same period.

**Exhibit 1.1: India's GDP at Current Prices, FY 2017-2028**

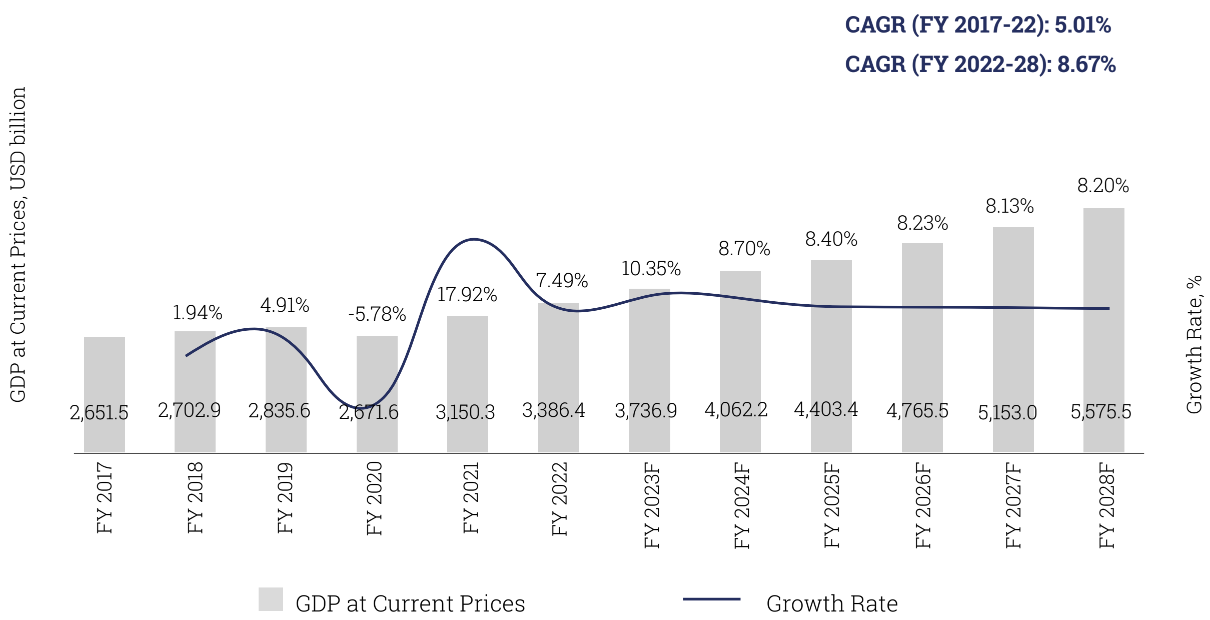
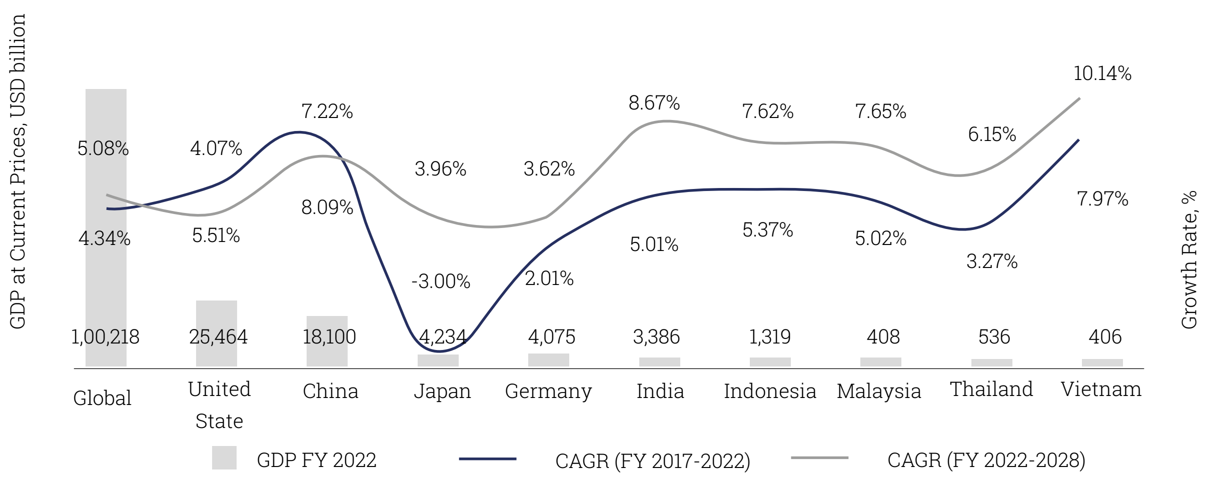



**Exhibit 1.2: Growth Rate in GDP at Current Prices of Select Countries, FY 2017-2028**




Source: World Economic Outlook- April 2023, International Monetary Fund Estimate, Frost & Sullivan

*Note: "GDP corresponding to fiscal year, current prices" is the country's GDP based on the same period during the year as their fiscal data. In the case of countries whose fiscal data are based on a fiscal calendar (e.g., July to June), this series would be the country's GDP over that same period. For countries whose fiscal data are based on a calendar year (i.e., January to December), this series will be the same as "Gross domestic product, current prices." The current representation in charts is as per India's fiscal year.*

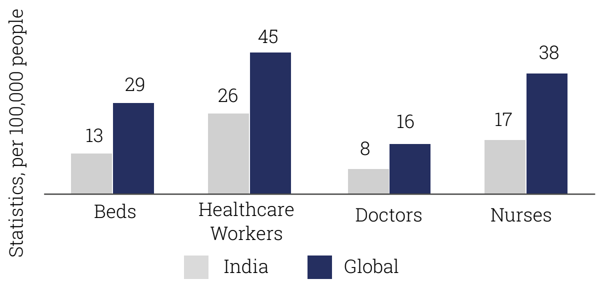
# 2 INDIA'S HEALTHCARE SECTOR

## 2.1 CHARACTERISTICS AND KEY TRENDS OF THE INDIAN HEALTHCARE SECTOR

**Inadequate healthcare infrastructure and resources with stark urban-rural divide:**

India's healthcare infrastructure still needs significant improvement to meet the healthcare needs of its population. For example, according to the 2021 NITI Aayog report, India had 1.3 hospital beds per 1,000 population vis-à-vis WHO guideline of 3 beds. Further, the density of beds is still low in rural areas, with only 28-30% of total beds[1]. Only ~13% of the people in rural India (65% of the total population) have access to primary healthcare.

**Exhibit 2.1: India's Healthcare Infrastructure Compared to Global Average: FY 2020- 2021**




Source: NITI AYOG, World Bank Data, Frost & Sullivan

*Note: India data for the fiscal year*

**Growing disease burden putting pressure on healthcare infrastructure & household expenditure:** India's share of the middle-aged and aged population (45+ years) increased from ~19% in 2001 to ~25% in 2020. According to a report published by Akhtar et al. on "Chronic diseases and productivity loss among middle-aged and elderly in India," this population has the highest risk of experiencing non-communicable diseases (NCDs). The median age of NCD onset moved from 57 to 53 years between 2004 and 2018. As the early onset of chronic diseases requires long-term treatments and is mostly outpatient driven, there has been an increase in the household income spent on healthcare as Out of Pocket (OOP) expenditure. The growth of the middle class and the disease burden has increased the need for health insurance to support this population.

## 2.2 HEALTHCARE EXPENDITURE IN INDIA

### 2.2.1 OOP AND GROWING HEALTHCARE EXPENDITURE

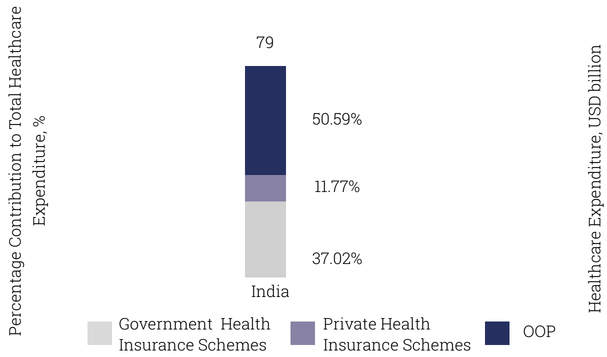
**High out-of-pocket expenditure continues to impose a financial burden on individuals.**

India's OOP share is very high (50.59% in FY2021) amongst the other healthcare funding schemes available in the country. The OOP is comparatively higher than its Asian counterparts, which rely on OOP for ~30-35% of the expenditure, and substantially higher than the WHO recommendation of 15-20%[2] . High OOP creates immense pressure on household income, further strengthening the case for increasing insurers' share in the financing schemes. The government has set itself a target of spending 2.5% of GDP on healthcare by 2025. It, coupled with the penetration of private insurers, is expected to reduce the OOP dependency in India. Both private insurance and voluntary insurance schemes are deemed crucial for OOP dependency reduction in India.

Even in countries like China, where ~95% of universal health coverage (UHC) was achieved as of 2022, voluntary insurance schemes are critical to reducing OOP. The current UHC schemes have co-payments for inpatient care as high as 25-35%.

Thus, on account of a high proportion of out-of-pocket (OOP) in India and limitations on the government's ability to provide adequate coverage to the Indian population, the demand for private insurance in India is expected to grow.

**Exhibit 2.2: India's CHE by Financing Scheme : FY 2021**

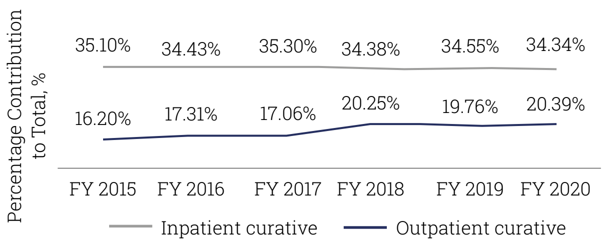



Source: WHO NHA Database, Frost & Sullivan

*Note: Government Health Insurance schemes include social insurance schemes like ESIC, CGHS, and ECHS and Government-based voluntary insurance schemes like PM-JAY, state-specific government health insurance schemes, etc. Private insurance includes voluntary health insurance; Other unclassified schemes account for a very small proportion and are excluded from the exhibit; therefore, the numbers do not add to 100%.*

*CHE data is based on the same period during the year as a country's fiscal data. In the case of countries whose fiscal data are based on a fiscal calendar (e.g., July to June), this series would be the country's CHE over that same period. The current representation in charts is as per India's fiscal year.*

**Exhibit 2.3: India's CHE by Healthcare Function: FY 2015-2020**




Source: National Health Accounts Report 2019-20, MOH&FW, Frost & Sullivan

*Note: Outpatient includes at-home care as well as day curative care; the rest of the healthcare functions comprises prescribed medicines, preventive care, Lab & imaging, patient transport, governance & admin, etc.*

[1]Study on the Not-for-Profit Hospital Model in India: NITI Ayog

[2]WHO Report

With the advent of technology for early screening and enhanced diagnosis, disease management is improving. There has been a growth in day procedures to support quicker rehabilitation with increased outpatient CHE. India's care delivery ecosystem has evolved post-COVID-19 with an increase in teleconsultation and the growth of at-home healthcare services.

These growth trends increase the OOP expenditure on healthcare for households, thus increasing the need for voluntary insurance coverage to support health management and reducing household health expenditure.

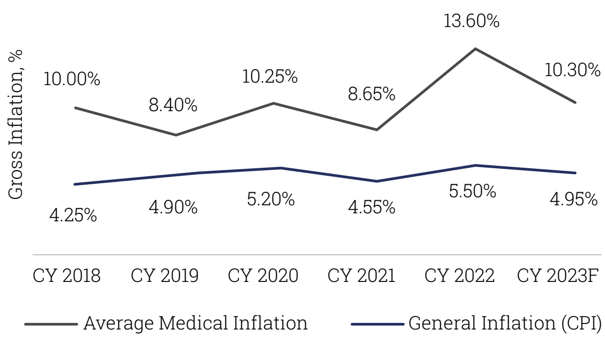
### 2.3 BURDEN OF MEDICAL INFLATION IN INDIA

**Medical inflation is almost double the general inflation rate making healthcare OOP a huge burden to households with elderly and diseased.**

The cost of healthcare goods and services, also known as medical inflation, has increased in India. A recent report by Aon Hewitt & WTW showed that medical inflation in India rose from 8.65% in 2021 to 13.60% in 2022, while average medical inflation in China and Vietnam was ~7.0% and that in Malaysia and Indonesia was ~12% in 2022.

Medical inflation in India is almost double the general inflation rate (CPI) of 5-6% in 2022. The report also projected that medical inflation in India will continue to rise, with a predicted increase of 10.30% in 2023. The medical inflation growth CAGR between CY 2021 and 2023 is estimated to be 11.94%. To cope with these rising costs, Indians seek insurance coverage. Interestingly, in recent times there is a growing dependence on insurance, top-up policies, riders, and other innovative products to control medical inflation by introducing efficient models for managing healthcare consumption and reimbursement.

**Exhibit 2.4: India's Medical Inflation Trends: CY 2018-2023**




Source: Global Medical Trend Rates Study – Aon Hewitt Global Benefits, Willis Towers Watson Survey

*Note: The medical inflation has been calculated by taking average for annual values from Aon Hewitt and Willis Towers Watson surveys and general inflation from Aon Hewitt; 2023 data is forecasted*

### 2.4 DIGITAL TRANSFORMATION IN THE HEALTHCARE SEGMENT

**Growing acknowledgment from the government as well as private players to embed digital platforms in the healthcare ecosystem to bridge not only existing resource, access, and affordability gaps but also improve the quality of health services and stakeholder experience, creating a new foundation for the insurance sector.**

**Digi Locker:** DigiLocker is a cloud-based platform launched by the Government of India in 2015 (under its Digital India initiative) to enable Indian citizens to store and access their digital documents (e.g., Adhaar card, insurance policies) from a single centralized location. In addition to giving any time, anywhere access, the platform allows users to digitally sign documents, making it easier to authenticate and share them with providers and insurers.

**Health Wallet:** A health wallet allows individuals to store and manage their health information, such as medical records, prescriptions, and insurance details, in a secure and easily accessible digital format. It will give patients greater control over their data and allow them to access any healthcare service from anywhere.

**Ayushman Bharat Health Accounts (ABHA):** The Ayushman Bharat Digital mission (ABDM) has introduced ABHA, a Personal health records (PHR) application for patients to maintain and manage their health records. As of June 2023, 407,605,936 ABHA had been created. The penetration of ABHA drives health data generation for population health management, amongst many others.

**Bima Sugam:** Insurance Regulatory and Development Authority of India (IRDAI) has planned to digitize the health insurance industry by developing an online marketplace to support health insurance purchase and claims management. Bima Sugam is the one-stop shop health exchange platform where all related queries, policy purchase, claim settlement, and insurance advice is addressed effectively. Web aggregators, brokers, insurance agents, bank agents, etc., would play the role of facilitators on the platform servicing the policyholders effectively. It is likely to enhance quality and drive standardization and efficiencies of scale.

With health and claims data available for the population, the health insurance industry can grow by leaps and bounds. Digitization and health data availability can drive the ability of the health insurance industry to customize insurance schemes to patient populations, reduce premiums, and reduce health insurance fraud.

Digital transformation is the key step towards achieving "Insurance for all" by 2047, where every citizen has appropriate life and health insurance coverage and appropriate insurance solutions support every enterprise.

## 3 INDIA'S HEALTH INSURANCE SECTOR

**With maturing health insurance market and increasing insurance penetration as a solution for health financing, India's health insurance sector is assuming a critical role in reducing OOP as well as reducing total incurred expenditure while meeting healthcare needs.**

### 3.1 HISTORY OF THE HEALTH INSURANCE SECTOR IN INDIA

**Health insurance is an emerging service sector in India with a relatively short history compared to other countries.**

Traditionally, the public insurance system was India's major healthcare coverage provider. It was largely possible because of free or highly subsidized healthcare services and coverage of select groups through government schemes. However, with the population expansion and budgetary shortfalls, the public healthcare system needed help to adequately service the burgeoning healthcare demands, which gave way to the rise of the private sector. While this increased the supply of healthcare facilities, availability of doctors, and public awareness of healthcare issues, it also increased the cost of healthcare and, thus, the need for insurance coverage. It is evidenced by the increasing insurance penetration in the country, which has jumped from 0.18% to 0.33% between FY 2017 and FY 2022.

**Table 3.1: Key Milestones in Health Insurance Industry, India, 1912- 2023**

| Year | Key Milestones in History |
|---|---|
| 1912 | The Health Insurance Act passed |
| 1999 | The sector opened to private and foreign participants; the IRDAI Act passed. |
| 2001 | TPA introduced by IRDAI |
| 2003 | Introduction of UHIS- govt's attempt to introduce health insurance for the informal sector |
| 2007 | Detariffication of insurance |
| 2016 | Barring life insurance firms from offering indemnity-based health products either to individuals or as a group policy |
| 2019 | Ongoing implementation of AB-PMJAY |
| 2020 | Aarogya Sanjeevani for basic hospitalization coverage; 100% FDI in the insurance intermediary sector |
| 2023 | Bima Sugam, the online marketplace for insurance likely to be launched |

Source: IRDAI, Frost & Sullivan

### 3.2 TYPES OF HEALTH INSURANCE POLICIES IN INDIA

Various health insurance policies available in India can be broadly classified based on sponsor or policy coverage.

**Table 3.2: Types of Insurance Policies, India**

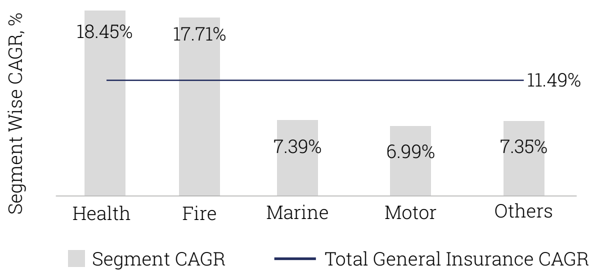
| Types of Insurance Policies Based on Sponsor | |
|---|---|
| **Government Schemes** | The central and state governments operate these schemes. Over the last five years, such government-sponsored schemes have significantly increased the country's population covered by health insurance. Some of these schemes are:<br>o **Pradhan Mantri Jan Arogya Yojana (PM-JAY) -** Launched in 2018, PM-Jay is the largest health insurance scheme in the world. It provides health insurance coverage of ₹ 5 lakhs per family per year for secondary and tertiary care hospitalization for around 50 crore beneficiaries.<br>o **Employment State Insurance Scheme (ESIS):** It is a state government-operated social security system to extend insurance coverage to the working population and their dependents.<br>o **Central Government Health Scheme (CGHS):** It provides comprehensive healthcare coverage, including access to facilities and resources for central government employees, pensioners, and their dependents residing in CGHS-covered cities. |
| **Group Health Benefit Policies** | A group health insurance plan provides healthcare coverage to a select group. Employers usually offer it to their employees and their dependents. These plans usually cost less than retail insurance plans because the risk is spread over the entire group rather than one person. |
| **Retail Policies** | Individuals purchase these health insurance plans to cover themselves and/or family members. It is more customizable than a group policy but typically costs higher. |
| **Critical Illness Rider** | Critical illness riders are additional coverage offered by life insurance companies and cover life-threatening illnesses such as cancer, kidney failure, heart ailments, etc. |
| **Personal Accident Cover** | These plans cover medical treatment, accidental death, or disability caused due to accidents in the country. |

Source: Frost & Sullivan

## 3.3 KEY STATISTICS IN THE INDIAN HEALTH INSURANCE INDUSTRY

**Health has the largest share and is the fastest-growing insurance segment in the general/ non-life category, with a high headroom for future growth largely driven by group policies and private insurance sector growth.**

**Exhibit 3.1: India's General Insurance Segment-wise Gross Premium Within India, CAGR (FY 2017-22)**



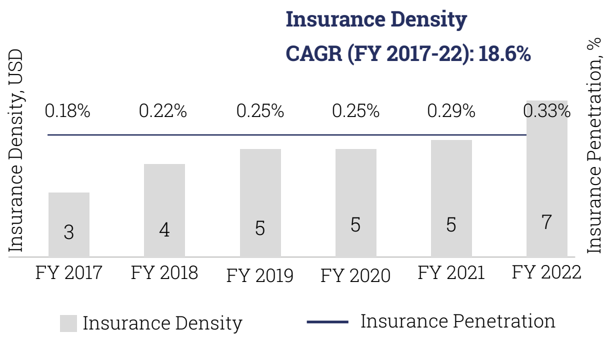

Source: IRDAI; Frost & Sullivan

### 3.3.1.1 HEALTH INSURANCE PENETRATION AND DENSITY

**31% jump in insurance penetration post-COVID; significant jump in insurance penetration in group policies during the pandemic**

Insurance penetration and density in India for health insurance have increased in recent years. This increase in health insurance penetration and density can be attributed to several factors, including rising healthcare costs, increasing awareness about the need for health insurance, and the introduction of government-sponsored health insurance schemes such as Ayushman Bharat, which provides health insurance coverage to economically vulnerable families.

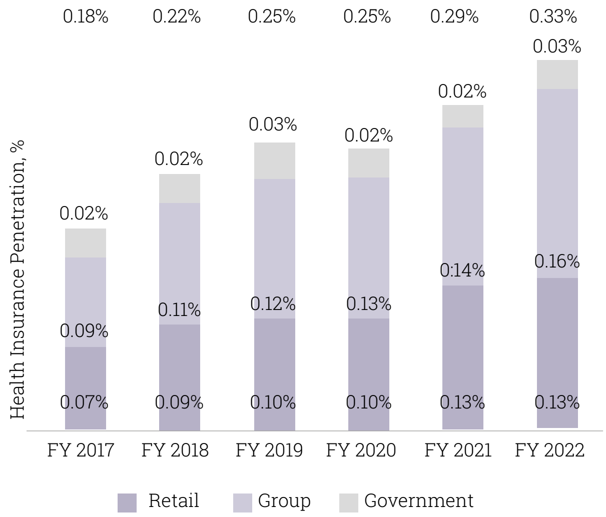
**Exhibit 3.2: India's Health Insurance Penetration and Density, FY 2017-2022**




Source: IRDAI; Frost & Sullivan

*Note: Insurance Penetration = Gross Premium/ GDP; Insurance Density = Gross Premium/ Population; includes group, retail, and government schemes*

**Exhibit 3.3: Health Insurance Penetration by Scheme Type: FY 2017-22**




Source: IRDAI; Frost & Sullivan

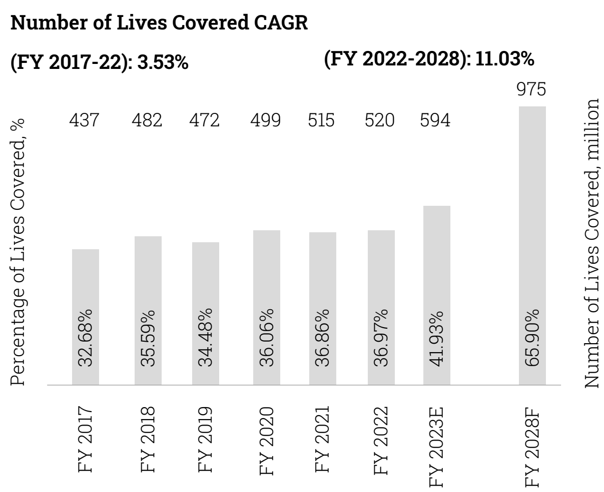
Insurance Penetration = Gross Premium/ GDP; Insurance Density = Gross Premium/ Population

### 3.4.1.2 NUMBER OF LIVES COVERED UNDER HEALTH INSURANCE

**37% of lives are covered under health insurance schemes in India; government policies cover the largest number of lives, but the highest growth is in group policies.**

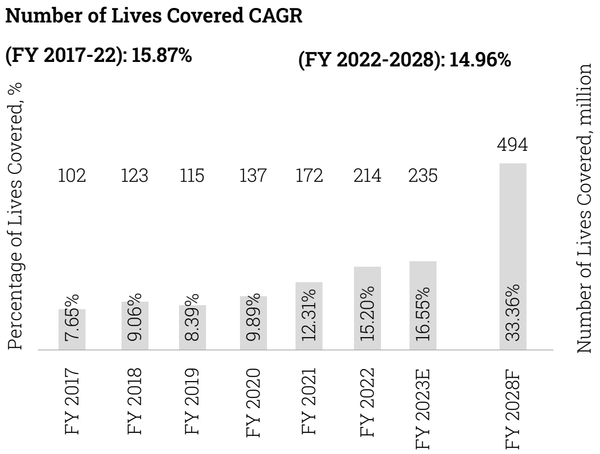
Only 15.20% of the population in FY 2022 was covered under private health insurance (36.97% inclusive of government schemes), resulting in high out-of-pocket expenditure for most of the population. Private health insurance penetration is expected to reach 33.36% in FY 2028, driven by increased corporate employment, higher awareness of the need for insurance, and better insurance distribution.

**Exhibit 3.4: Proportion of Lives Covered under Health Insurance in India, FY 2017-2028**




[3]Private insurance includes general insurers and private sector SAHI.

**Exhibit 3.5: Proportion of Lives Covered under Health Insurance in India Excluding Government Schemes, FY 2017-2028**




Source: IRDAI; Frost & Sullivan

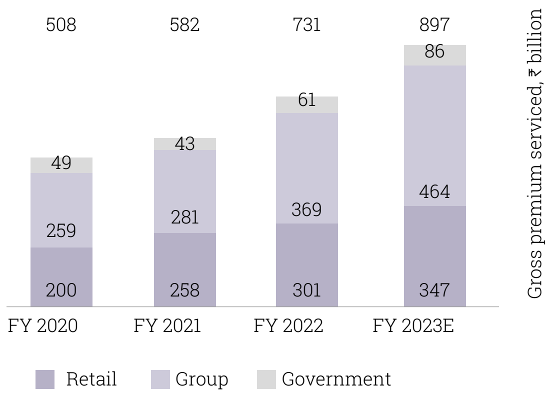
*Note: An individual can hold more than one policy. The percentage of the lives covered is the ratio of the total number of policies covered to the country's total population, which is forecasted to be 65.9% in FY 2028.*

Employer group policies largely drove the increase in lives covered in recent years as more and more companies became employee-centric and started offering group health plans and various health and wellness benefits. The segment contributed 18.16% (CAGR) growth between FY 2017 and FY 2022. The government policies covered nearly 59% of the lives covered in FY 2022, largely driven by initiatives by various states and central governments to cover vulnerable families.

### 3.4.1.3 PREMIUM SERVICED UNDER HEALTH INSURANCE

**19.17% growth in premium serviced in the last five fiscals; significant inflation in the premium across all policies since COVID-19; total premium serviced remains highest for group policies by public sector companies.**

**Exhibit 3.6: Gross Premium Serviced under Health Insurance in India, FY 2017-2023**




Source: IRDAI; Frost & Sullivan

Some of the main drivers for growth in India's premium serviced under health insurance are:

- The increased uptake of group and retail policies linked to increased awareness of health coverage benefits,
- The increased reach of insurance companies in various cities (distribution network extension to tier 2 and tier 3 cities), increased penetration of web aggregators in selling health insurance policies,
- Government's impetus for universal health coverage with a focus on 100% insurance for all by 2047 and the launch of additional schemes by the state and the central government,
- The government's various initiatives, such as the introduction of the GIFT city, a proposal for composite licenses for life insurers to sell health products, and approval of licenses for new insurers (20 under consideration and 3 already granted as of May 2023), expanding the insurance ecosystem, development of efforts to create insurance marketplace like Bima Sugam.
- The increase in insurance premiums per person can be attributed to factors such as the rising cost of healthcare services (medical inflation of 10-14%), increased claims, changes in regulatory norms, and COVID-19 pandemic-led pricing & underwriting strategy changes within companies.
- Growth is also driven by the private sector, including private general insurers and private sector SAHI. Public sector insurers accounted for the majority of premiums serviced in FY 2017 but lost their share to private general insurers and the private sector SAHI sector by FY 2022. Both sectors witnessed a CAGR of ~29% during this period, with their shares reaching nearly 27% each.

### 3.4.1.4 INDIAN INSURERS PARTICIPATING IN INTERNATIONAL PRIVATE MEDICAL INSURANCE (IPMI)

**Overseas medical policies offered by Indian Insurers exceeded pre-pandemic levels and growing fast.**

Income growth has allowed more and more Indians to travel abroad for jobs, education, medical treatment, residency, tourism, etc. Data from the Bureau of Immigration (BoI) indicates that more than 8.55 million Indians traveled outside the country in 2021[4], which was growing at a CAGR of 7.98% (2014-2019) before the pandemic. To prevent risks, tourists often take health insurance coverage, largely from private general insurers (>80% share), resulting in a gross premium growth of 7.19% between FY 2018 and FY 2023. Several Indian business groups (India Inc.) now run global operations with significant presence overseas, and health coverage for employees becomes an important decision. Thus, this segment is expected to pick up pace as global borders have opened after the pandemic, and the tourism industry is reviving, appended by growth from

[4]Tourism Statistics 2022

increased travel for jobs, education, tourism, etc. Indian insurers selling overseas medical policies predominantly outsource services to global benefits administrators to access their global provider networks, such as to Mayfair We Care, a subsidiary of Medi Assist Healthcare Services. Mayfair, We Care serviced 4 Indian and 4 global insurers with members across 118 nations through their provider networks across 135+ countries in FY 2023.

## 3.5 CURRENT MARKET DYNAMICS & EVOLVING TRENDS IN THE INDIAN HEALTH INSURANCE INDUSTRY

### 3.5.1 GOVERNMENT'S ELEVATED ROLE IN DRIVING GROWTH

**Increasing role in covering more economically vulnerable lives, creating infrastructure to support private healthcare systems.**

While the Indian government is undeniably important in increasing insurance penetration and coverage, it also supports infrastructural development advantageous for the private sector and policy changes for increased global relevance. Some such initiatives are discussed below.

- **NDHM:** The National Digital Health Mission (NDHM) provides a digital ecosystem that will allow superior health data analytics to gain insights into population health trends and design targeted interventions to improve health outcomes and streamline & optimize healthcare services such as delivery and insurance.
- **Ayushman Bharat (PM-JAY):** The scheme provides annual health cover of up to ₹ 5 lakh per family and covers nearly 1,300 medical procedures. It has played a pivotal role in expanding insurance coverage in the country.
- **GIFT City:** GIFT City, or the Gujarat International Finance Tec-City, is a smart city housing a domestic tariff zone and International Financial Services Centres (IFSC) in a multi-service Special Economic Zone (SEZ) and opens new avenues for growth for insurance firms.
- **Foreign Direct Investment (FDI):** In 2021, the FDI ceiling in the insurance sector increased from 49% to 74% under the automatic route for insurance companies and up to 100% for insurance intermediaries, including TPAs. This liberalization of the FDI limit is expected to increase foreign capital inflow supporting growth & scale-up of the industry, ultimately improving insurance penetration.

### 3.5.2 REGULATORY CHANGES PRESENTING NEW OPPORTUNITIES FOR INSURERS

**Increased flexibility for insurers to innovate and simplified processes for policyholders drawing more people to take coverage:**

The Insurance Regulatory and Development Authority of India (IRDAI) has always played an instrumental role in defining the direction of insurance industry growth. The focus of IRDAI is to strengthen the three pillars of the entire insurance ecosystem, viz., insurance customers (policyholders), insurance providers (insurers), and insurance distributors (intermediaries). From standardizing policy terms and conditions for simplification and ease of understanding to offering health insurance portability across insurance companies to capping insurance agent commission to 10-20% (from 35-40%), the regulatory agency has simplified insurance purchases for policyholders, thus influencing insurance penetration. Even recently introduced policy changes such as regulatory sandbox and upping tie-up limits for intermediaries allow insurers to innovate, enhance the ease of doing business, and expand the overall market. Select few policies are detailed below.

- Mandatory coverage for certain diseases and services such as mental illnesses, congenital diseases, pre-existing diseases, and genetic disorders, and increased coverage for daycare procedures as well as telemedicine services.
- Introduction of long-term policies, which offer coverage for up to three years, compared to the previous one-year policy terms.
- Increased experimentation period in the Regulatory Sandbox from 6 to 36 months, allowing insurers to experiment with offerings such as short-term health products launched during COVID, wellness-based points using wearable devices, the launch of OPD products, and bite-sized products in partnerships with payment portals, e-commerce places.
- Proposed composite license framework allowing insurers to undertake general and health insurance via a single entity.
- Committed to enabling 'Insurance for All' by 2047, where every citizen has appropriate life, health, and property insurance coverage and every enterprise is supported by appropriate insurance solutions to make the Indian insurance sector globally attractive. IRDAI's efforts to drive insurance penetration will likely help India move to the top 5 countries in the global insurance market by revenues by 2047.
- Stringent limits have historically been applied to the commission payments to insurance agents and insurance intermediaries for the distribution and servicing of insurance policies and insurers' spending relative to the premium earned over a financial year. However, the new regulations limit Expenses of Management (EOM5) to 30% (General Insurers) and 35% (Stand-alone Health Insurers) of gross premiums written in India, providing insurers with flexibility in expense management while promoting self-regulation.

### 3.5.3 INNOVATION IN THE INDIAN HEALTH INSURANCE SECTOR

**From new services and products like wearables and mobile apps to products geared towards prevention, wellness, and reimbursement models designed on value-based care may find traction in the market.**

Healthcare innovation is also expected to stimulate innovation in the health insurance sector. Some such innovations are listed below.

- Utilizing an individual's medical history, lifestyle habits, demographic factors, and current health status, insurers may actively use this information to create custom plans and pricing for policyholders.
- Health insurance companies may offer wearable devices that track patients' health metrics and enable extended insurance coverage beyond OPD to home-based care.
- Health insurance companies may offer more incentives for patients to adopt healthy behaviors, such as exercising regularly, eating a balanced diet, and participating in wellness programs to manage chronic diseases.
- Managed care models can also find acceptance in the Indian landscape as insurers look to deepen their relationships with provider networks (primary care physicians, specialists, hospitals, and other healthcare providers).
- Finally, health insurance companies may continue to explore new healthcare delivery models, such as value-based care, which may involve partnerships between health insurance companies and healthcare providers, incentivizing providers to deliver high-quality care that results in better patient health outcomes.

The implementation and success of these initiatives will greatly depend on the availability of good-quality data as a prerequisite. TPAs are uniquely positioned with the ability to capture, analyze, and make data actionable on account of their participation across the health insurance ecosystem, starting from underwriting/ risk estimation to actual incidences/event occurrence to medical procedures (by geography, provider, etc.) covering demographic, medical and even financial / cost-related information in a comprehensive manner. It offers leading TPAs like Medi Assist with potential to leverage data and drive transformation through building value propositions across new touchpoints, improved member experience and healthcare value, technology innovation, and efficiency while maintaining data quality.

### 3.5.4 EVOLUTION OF DIGITAL-FIRST INSURERS & BROKERS

**Changing customer expectations and continuing pressure on classical operating models to improve efficiency and control costs are expediting digital transformation:**

Digital transformation has significantly impacted the Indian insurance industry and given rise to digital-first insurers- companies prioritizing digital technologies and channels to deliver their products and services to customers. These insurers build their operating models around digital processes, automation, and technology-enabled customer experiences. Besides enhancing workflow efficiency on the customer front, digital-first insurers enjoy backend operational efficiency. The change in customer preference for online policy purchase after comparing benefits and prices to having 24X7 customer support has nurtured rapid growth of digital-first insurers.

This surge in online transactions has also allowed for higher data capture volumes and analytics. Insurers can now better understand their customers and offer more personalized policies. Companies use cutting-edge technology, such as AI-powered chatbots, to answer customer queries in real time and provide personalized recommendations based on the customer's needs. Similarly, companies use blockchain technology to offer more secure and transparent policies while automating claims processes to prevent fraud and reduce overall costs. Digital transformation creates opportunities for insurers along the entire value chain, from acquiring new consumers and providing consulting advice to underwriting, generating insurance policies, processing payments, and customer service.

## 4 INDIA'S HEALTH BENEFITS ADMINISTRATION SECTOR

Health benefits administrators (BAS) manage and coordinate healthcare benefits and insurance plans for beneficiaries (e.g., policyholders and employees). Health benefits administrators engage with stakeholders through an integrated portfolio of health management tools, cutting-edge technology, analytical capabilities, and personalized customer service. It encompasses services traditionally offered by Third-Party Administrators (TPAs), ranging from enrolling individuals and groups in health insurance plans, managing eligibility and liaising with insurers, providing customer support (enhanced engagement & experience), developing a provider network, and educating beneficiaries about policy terms and conditions. Several corporations globally, especially in the US, have increasingly shifted to self-funded plans for providing healthcare benefits to their employees. These organizations have specialized ASOs (Administration Services Organizations) for managing their customized self-funded plans through their suite of comprehensive solutions. Additionally, BAS also offers technology platforms to insurers to streamline and scale up their operations, enhance efficiency, and provide better client services; consulting services for IT risk and security, value-based care services, analytics & insights, and healthcare program design, to name a few.

While globally, TPAs have evolved to assume the larger role of offering the entire range of services encompassing the BAS spectrum, currently, in India, a few select TPAs[6] like Medi Assist are charting into this territory with inpatient & outpatient network, on-demand health, fraud, waste, abuse medical inflation management with borderless benefits.

### 4.1 HISTORY OF THE TPA INDUSTRY IN INDIA

A Third-Party Administrator (TPA) is an organization that processes insurance claims on behalf of insurance companies. TPAs were envisaged as a link between the insurer, healthcare service provider, and the policyholder. The insurers are expected to take risks, set the premium rates, and undertake the marketing and enrollment, while TPAs are expected to take over the claims processing function. The concept of TPAs in India emerged in the late 1990s as part of the liberalization of the insurance sector.

By 1995, 2 million people had enrolled in the health insurance plans offered by the four public sector insurers. The industry started expanding with increasing coverage from corporates, removal of sub-limits, and availability of custom insurance plans. So did the services offered by insurers, such as 24X7 call centers, to address policyholders' queries and direct settlement with the hospitals. IRDAI introduced TPA regulations in 2001 to offer impartial and efficient health benefits administration. The first TPA in India- Medi Assist India TPA Pvt. Ltd -was established in 2002.

While TPAs in India were initially primarily involved in processing claims for health insurance policies, their role expanded to include other functions such as policy administration, customer service, and provider network management.

As the Indian insurance market continued to grow, the demand for TPAs increased, and more companies entered the market. As of March 2023, 17 TPAs operate in India, providing services to public and private health insurance companies. Their services help improve efficiency and reduce costs for insurance companies while providing valuable support and assistance to policyholders.

### 4.2 CORE FUNCTIONS OF TPAS

**TPAs serve as a one-stop-shop for Insurers (Payers), Policy Holders (Members), and Hospitals (Networks).**

The origin of TPAs goes back to the US market, where entrepreneurs entered the insurance business in the late 1960s and '70s to capitalize on its growth potential. These entrepreneurs reduced the insurers' administrative and claims management tasks by offering these services for a fee, which led to the birth of the TPA industry. Companies like Sedgwick started as small regional claims administrators for large insurance companies and grew successfully thereafter by expansion like most others in the TPA industry globally.

In the Indian ecosystem, the key role of TPAs is to act as an intermediary between the insurers and the insured and facilitate the administration of cashless and reimbursement claims. It entails the following key functions:

**Table 4.1: Core Functions of TPAs, India**

| Core Functions of TPAs | |
|---|---|
| **Healthcare Providers (Network)** | Manage patient communication and provider selection; process medical claims and handle administrative tasks, such as verifying patient eligibility, submitting claims to insurance companies, and managing denials and appeals, thus reducing administrative burden; provide financial support, such as providing cashless treatment options and arranging for pre-authorization of medical treatments. |
| **Members/ Beneficiaries** | Help patients access health insurance coverage and facilitate the reimbursement of healthcare expenses; provide information and resources about healthcare providers, hospitals, and medical treatments; assist patients in making informed decisions about their healthcare; set reimbursement rates and ensure that providers meet quality and credentialing requirements; coordinate healthcare services such as scheduling appointments with healthcare providers, arranging for transportation to medical appointments, and providing language translation services (fine print in policies); and assist with medical billing such as understanding medical bills and insurance claims, and supporting with billing issues and disputes. |
| **Insurers / (Payers)** | Manage provider networks by contracting with providers, provide 24X7 customer support, fraud, and abuse control, data capture and analytics for designing policies and setting the premium, and providing digital tools such as client portals, mobile apps, and claims download tools that facilitate automating processes relevant to insurance companies, healthcare providers, insurance brokers, and insurance agents. |

In addition to the above functions, TPAs also perform certain activities specific to public health insurance schemes, including:

- Publicity and population mobilization activities for the scheme
- Identification and verification of the beneficiaries

Established healthcare markets like the US, have witnessed the emergence of Health Benefits Administrators (HBAs) who offer services typically ranging from enrolling individuals and groups in health plans, managing eligibility and liaising with insurers and/or employers, providing customer support (access to a network of health and wellness service providers), claims processing, developing preferred provider networks (PPNs), and educating beneficiaries about policy terms and conditions. Additionally, HBAs offer technology platforms to insurers and employers to streamline and scale up their operations, enhance efficiency, value-based care services, manage medical inflation, analytics & insights, and fraud/ abuse prevention services, etc. Thus, these companies play a major role in developing the entire insurance industry.

India is also witnessing the emergence of TPAs moving towards benefits administrator services focused on patients and hospitals, thus driving efficiency and growth in the sector.

### 4.2.1 TYPES OF CLAIMS ADMINISTERED BY TPAS

Based on how a claim is settled, four main types of claims are administered by TPAs, with preconditions described below.

| Types of Claims Handled by TPAs | | | |
|---|---|---|---|
| **Cashless Claims** | **Reimbursement Claims** | **Benefit Based Schemes** | **Domiciliary Claims** |
| Policyholder/ beneficiary has a planned treatment.<br>Available only in networked hospitals<br>Policyholder/ beneficiary is normally required to inform TPA in advance.<br>Policyholder/ beneficiary is required to produce the issued ID card.<br>Settlement is made by the insurer directly to the hospital | Policyholder/ beneficiary pays the expenses out of pocket and gets the expenses reimbursed after discharge.<br>It usually happens in the case of non-networked hospitals with TPAs. | Pays a fixed amount upon diagnosing a covered ailment.<br>The amount can substitute for income when the policyholders cannot work.<br>Provided additional funds for medical expenses and treatment | Cover illnesses that do not require hospitalizations, including treatment either taken from a physician or at the OPD in a hospital.<br>Predetermined criteria must be met. |

Source: Frost & Sullivan

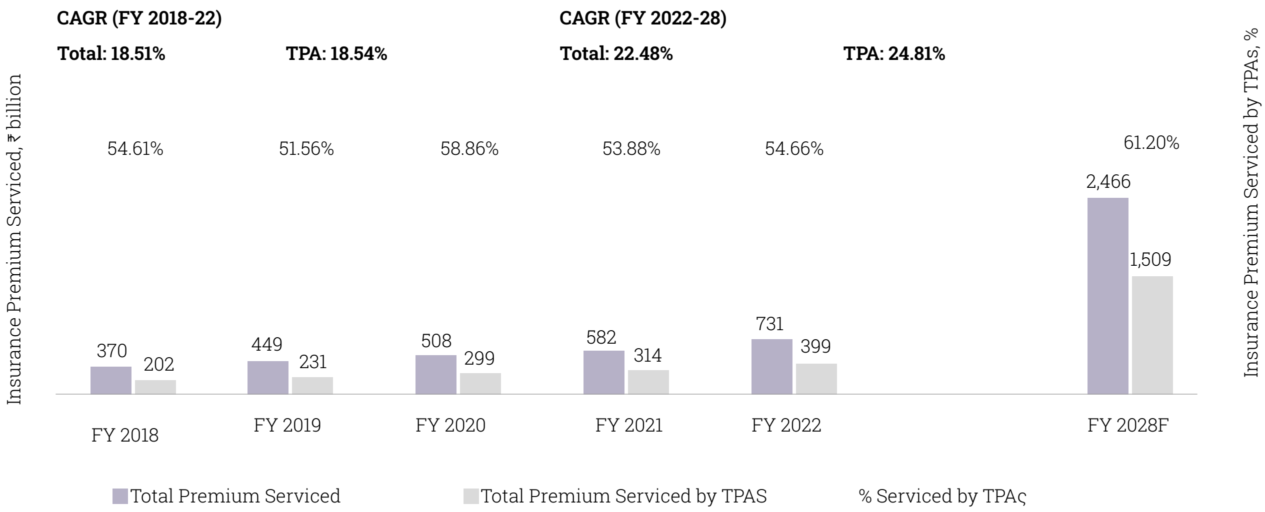
## 4.3 TPA INDUSTRY

### 4.3.1 HEALTH INSURANCE PREMIUMS SERVICED BY TPAS

**Strong growth in group insurance policies with increasing penetration of TPAs; Medi Assist, and Medvantage account for 17.26%, and 0.70% of the total retail and group health insurance premium, respectively**

The growth in health insurance premiums has been undeniable with the growing awareness of the importance of health coverage, growth in demand for healthcare services, and increased affordability to seek voluntary coverage. In the last five years, TPAs have become indispensable in the health insurance industry in India. They have also achieved the same pace of growth as the overall health insurance sector at a CAGR of 18.51%. However, the volume of enrollments is increasing faster than ever, and claim processing is becoming even more complex. Consequently, insurers are expected to lean more on TPAs to increase process efficiency and capitalize on their value-added services geared towards cost savings and client centricity. As a result, in the next five years, TPAs are expected to outpace the sector's growth and enjoy a CAGR of 24.81% based on the total premium serviced by them.

**Exhibit 4.1: Total Health Insurance Premium Serviced: FY 2018-2028**

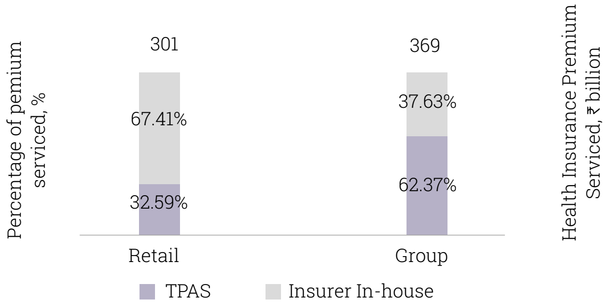



Source: Company Annual Reports; Frost & Sullivan

*Note: TPA data is based on publicly available data by the 21 TPAs active as of FY 22; Since the data is not available for all the TPAs, the actual penetration may range between 57-58%. Based on the total number of claims processed by TPAs, the penetration was 76.25% in FY 2022, as reported by IRDAI.*

In recent years, TPAs have emerged as a prominent player in the group segment, with over 60% of the premiums serviced by them. The TPA serviced group segment has witnessed rapid growth in terms of premiums processed, with a 22.19% increase between FY 2018 and FY 2022. As corporations expand their coverage for employees and dependents and offer more prevention, wellness, and health-tracking services, insurers will likely rely on TPAs for cost containment, customized programs, efficient claims processing, and overall management. It is expected to drive a significant growth of around 25% in the TPA segment over the next five years.

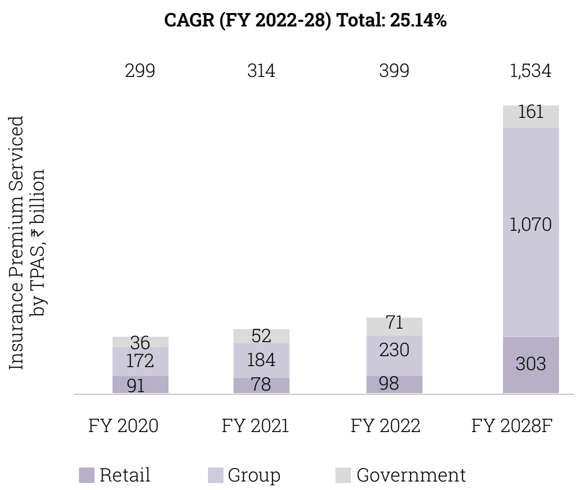
**Exhibit 4.2: Total Health Premium Serviced by TPAs by Type of Retail and Group Policies, FY 2022**




Source: Company Annual Reports; Frost & Sullivan

*Note: TPA data is based on publicly available data by the 21 TPAs active as of FY 22; Since the data is not available for all the TPAs, the actual penetration may range between 57-58%. Based on the total number of claims processed by TPAs, the penetration was 76.25% in FY 2022, as reported by IRDAI. Based on premium serviced in FY 2022, TPA penetration for retail for Private+ SAHI was estimated to be 9.71%. TPA penetration for the group for Private+ SAHI was estimated to be 14.00%, and total TPA penetration for retail and group for Private+ SAHI was estimated to be 11.51%.*

**Exhibit 4.3: Total Health Premium Serviced by TPAs: FY 2018-2028**




Source: Company Annual Reports; Frost & Sullivan

*Note: TPA data is based on publicly available data by the 21 TPAs active as of FY 22.*

Although TPAs have experienced ~10% growth in the retail segment in the last five fiscal years, they are expected to see double the growth in the next five years. Public sector insurers are predicted to gain market share in retail policies due to their competitiveness with private sector insurers, especially with the introduction of the EOM limit. With their high penetration in tier 2 and 3 cities, public sector insurers are expected to provide greater policy coverage to the missing middle, approximately 140 crores in population. At the same time, economically vulnerable individuals are covered by Ayushman Bharat schemes, and affluent individuals obtain voluntary and often more expensive insurance coverage from private sector insurers. As public sector insurers primarily outsource their claims management to TPAs, this will further boost the growth of TPAs in the retail segment. The premiums managed by TPAs across private general insurers and SAHIs in the retail segment were 6.26% in 2018 and grew to 9.71% in 2022.

As the market is growing towards group policies driven by corporate sector growth in the country, there is a huge demand in the overall ecosystem with an increasing need for customization of policies to suit the population demographics, variations in the need for coverage based on organization requirements and increase in the need for the larger network to support the entire ecosystem and focus on overall customer satisfaction. In the last few years, there has been a growth in the need for technology to drive efficiency and customer experience.

TPAs also supported almost all government schemes during COVID-19 and witnessed a CAGR of 20.52% from FY 2018 to FY 2022.

With a focus on the customization of healthcare benefits and offering flexi-benefits, among other things, several corporates and MNCs operating in India are shifting to complete or partially self-funded plans for covering a section or even their entire workforce. Select TPAs in India are already catering to corporates and MNCs to support their self-funded plans, and this presents a large market and growing opportunity for specialized TPAs in India.

Some third-party administrators (TPAs) also collaborate with life insurance companies to manage their complex health rider policies, which provides an additional premium management stream. If composite licenses allow life insurers to enter the core healthcare industry, it could pave the way for new players to enter the health insurance market, thereby expanding the scope for TPAs to serve a larger insurance base. In addition to premium management, TPAs also provide technological solutions (SaaS) under contract, particularly for retail policies, such as unified health and insurance platforms powered by AI, tools for document digitization and health analysis, technology platforms for claims processing and detecting fraud, and more.

These opportunities create several avenues for new revenue streams for Benefits administrators while delivering value to stakeholders across the industry.

### 4.3.2 INCREASING OUTSOURCING AND DEPENDENCE ON TPAS

**Changing insurance industry dynamics led by modified consumer behavior, growing complexity of healthcare and insurance products, and thus coverage needs, network penetration and savings, higher OPD utilization, need for fraud prevention, and the need for agility in tech adoption is increasing reliance on benefits administrators to bring innovation, efficiencies, and cost savings.**

Current factors at play that are increasing challenges for healthcare insurers include:

- Increased volumes (domestic and overseas) demanding larger scale of operations (domestic and global),
- Interconnectedness and integrations between ecosystem players,
- pressure from increasing healthcare costs & high service demand,
- growth in non-traditional services and patients getting covered, a multitude of products and services offered,
- constantly changing regulations,
- customer expectation and engagement model change- focus on customer journeys and experiences,
- business model change gravitating toward risk management and a risk service business,
- tech-led disruption - need for agility in creating infrastructure for data capture, collection, & processing.

Solving these challenges is a resource- and cost-intensive, motivating insurers to outsource claims management to health benefits administrators. Health benefits administrators are better placed than insurers to keep up with the process and technological advances because they handle claims for numerous insurers.

Moreover, claims processing – a critical process in servicing customers of insurance companies when outsourced to health benefits administrators can help insurers focus on product innovation and risk management and reduce operational costs, streamline core processes, and, most importantly, improve customer satisfaction.

Besides, the importance of health benefits administrators came into further limelight during the pandemic as COVID-19 exposed several deficiencies in the existing service models. As health benefits administrators stepped up to bridge operational and technological gaps, they made themselves indispensable for the future, particularly those with a strong technological foundation and large scale of operations.

Even post-COVID-19, most of the pandemic-induced challenges remain, and TPAs continue to support delivering value across the ecosystem for the stakeholders. For instance:

- **Product complexity:** Since the beginning of the pandemic, many insurers have swiftly introduced new COVID-19 policies, top-up covers, OPD policies, and even sachet products tailored to provide coverage for shorter periods. Adopting flexible benefits has also increased significantly, with companies and employees opting for personalized coverage based on their individual needs. To handle this surge, TPAs quickly deployed additional resources and integrated/transitioned systems during the pandemic, achieving high accuracy and efficiency while managing the increased number of policies and the complexity of servicing them that continues to date.

- **Handling OPD Claims:** During the COVID-19 pandemic, there was a significant rise in outpatient care through Telemedicine, online pharmacy services, tele-diagnostics, and lab test bookings. It resulted in a surge of OPD claims across the healthcare industry. However, third-party administrators (TPAs) stepped up to the challenge. They successfully processed this increased volume of OPD claims in addition to offering real-time cashless transactions and wallet access while maintaining their cost-effective structures and ensuring high-quality customer service. This trend continues today, with COVID-19 acting as a catalyst for a sustained high volume of OPD claims and TPAs continuously introducing new solutions.

- **Network penetration:** Since the outbreak of COVID, insurance coverage in Tier 2/3 areas has significantly grown, resulting in a surge of corresponding claims, processing, and servicing needs. Expanding networks independently is challenging for insurers, so they rely on TPAs to ensure nationwide service delivery. It has enabled customers to benefit from cashless hospital experiences, even in hospitals that previously lacked such facilities. It has also helped insurers mitigate the risk of fraud while maintaining control over medical inflation.

- **Digital/online claim submission:** COVID-19 shifted how claims are submitted- from tangible paperwork to online submissions. With the restrictions on physical movement during the pandemic, Third-Party Administrators (TPAs) took on a crucial role in facilitating digital and online claims submission through their portals while interacting with policyholders, providers, and insurers. Numerous policyholders and businesses have now adopted online/digital claims submission, positively impacting the industry's digitization and Turnaround Times (TATs).

## 4.4 COMPETITIVE LANDSCAPE

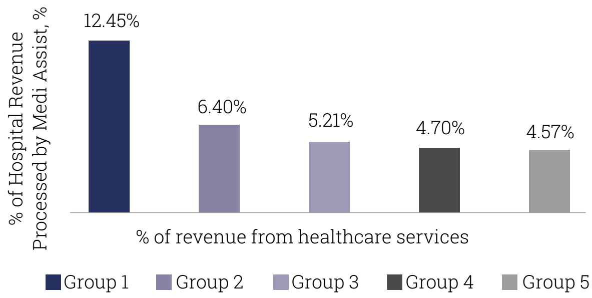
**Medi Assist is India's largest health benefits administrator, with an increasing market share, a commanding position in premiums serviced, revenues, profitability, and return metrics, and consistently improving financial performance.**

25 TPAs were operating in 2019-2020; however, given the ongoing consolidation and challenges experienced by many players in the industry, the number has shrunk to 20 in June 2022 and is expected to be around 16 active TPAs. Medi Assist is India's largest health benefits administrator in terms of revenues in FY 2021, FY 2022, and FY 2023. Moreover, given the concluded acquisition of Medvantage by Medi Assist, the company is expected to maintain its market-leading position in FY 2023 as well. The second and third largest TPAs in FY 2022 accounted for nearly 13% of the market shares each by TPA service revenue, respectively. Interestingly, TPAs also generate revenue from the provision of one-time Pre-policy health check pass-through (GMV equivalent) business, which is outside of standard benefits administration / TPA contracts and hence not based on premiums serviced. Service Revenue has been calculated by excluding pre-insurance medical examinations-based revenue.

Medi Assist is a notable health benefits administrators partner for several top hospital chains in India and across group policies for private sector general insurers in India. Medi Assist contributed 12.45%, 6.40%, 5.21%, 4.70%, and 4.57% of the total healthcare services revenue for hospital group 1, group 2, group 3, group 4, and 5.

The company contributed 16.19% for Insurer 1, 15.15% for Insurer 2, 13.53% for Insurer 3, and 6.24% for Insurer 4.

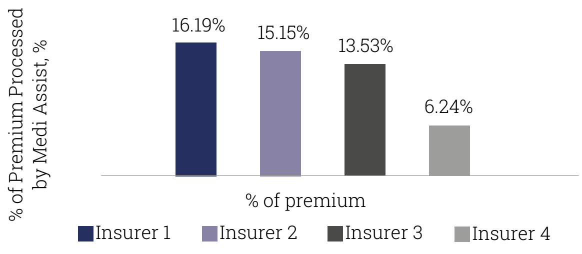
**Exhibit 4.9: Hospital Revenues Processed by Medi Assist, FY 2023**




Source: Company Annual Reports; Medi Assist; Frost & Sullivan

*Note: Hospital revenues processed by Medi Assists = Total claims handled by Medi Assist for the hospital group/ revenue from healthcare services for the hospital group*

**Exhibit 4.10: Private Sector General Insurer Group Policy Premium Processed by Medi Assist, FY 2023**



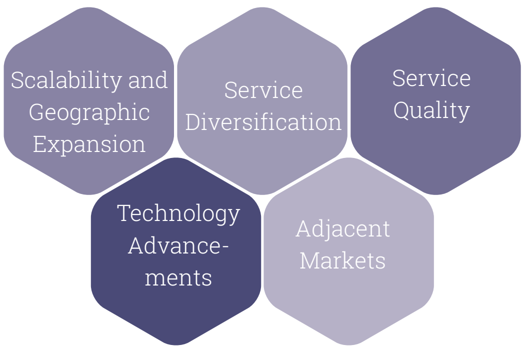

Source: GIC; Medi Assist; Frost & Sullivan

The COVID-19 pandemic has brought about a fundamental and lasting shift in behavior across both the retail and group segments. This shift has significantly driven growth for several TPAs, including Medi Assist, over the past three years, despite the economic downturn caused by the pandemic in 2021. During FY 2023, Medi Assist's retail and group premium increased by 26.77% compared to the same period in the previous year, due in part to the heightened awareness of the need for adequate health insurance brought on by the pandemic. This trend is also expected to continue to support growth in the overall sector.

### 4.5 CURRENT DYNAMICS & EVOLVING TRENDS IN THE INDIAN TPA INDUSTRY

#### 4.5.1 CONSOLIDATION IN THE INDUSTRY

Claims services and third-party administrators' industry segments remain fragmented. As TPAs look to develop capabilities across service lines, geographies, and the healthcare value chain, the inorganic growth path has become the norm. While larger TPAs can negotiate better prices and premiums, rolling in smaller specialized TPAs helps widen the breadth of client offerings and cover more steps in the claims value chain. TPAs like Medi Assist continue to pursue opportunities for carve-outs and alliances with insurance companies and partnerships with sponsors/employers and distributors. Some common themes encouraging acquisitions in the health claims management industry are listed below.




Recent acquisitions in the global and Indian TPA industry point to the growing consolidation trend in the sector. Some of the emerging themes driving consolidation are included below.

##### 4.5.1.1 GLOBAL TPA MARKET

**Akin to global TPAs, which offer various value-add services, Indian TPAs can also command a higher proportion of premium value as service fees with new services and enjoy accelerated growth.**

With the rapid growth in the healthcare insurance sector and the volume of policies, premiums, and claims, the type of policies is also growing along with their complexity. It has resulted in parallel growth in the global TPA market resulting in more than 1000 active TPAs worldwide.

While traditionally, TPAs were involved in more administrative tasks such as claims review, processing, and reimbursement and commanded 2%-3% of premium value. However, their role evolved over time to include policy design, medical care management, health ecosystem development, and frontend customer management, and they started commanding 13%-15% of the premium value. As a result, the global TPA market is expected to be nearly USD 160-200 billion in 2021.

With time, as TPAs become more organized, gain scale, and offer additional value add services to payers, providers, and policyholders (e.g., ambulance service, helpline facilities, rehabilitation programs), they are expected to command a higher premium value[7]. Consequently, the overall market growth is expected to be 7%-8% (CAGR) by 2027.

## 5 FUTURE OF INDIAN HEALTH INSURANCE DRIVEN BY BAS

### 5.1 EMERGENCE OF BAS DRIVES SUCCESS IN THE HEALTH INSURANCE INDUSTRY

Indian health insurance industry is on the verge of getting an overhaul. IRDAI's commitment to enabling 'Insurance for All' by 2047, where every citizen has appropriate life, health, and property insurance coverage and every enterprise is supported by appropriate insurance solutions, is one of the huge initiatives towards transforming the health insurance industry.

An increase in penetration of the health insurance industry annually has not only increased the number of lives covered but also increased the number of claims generated and processed within the stipulated timeline.

The growth in the health insurance industry has increased the demand for various other services from the TPAs, which include:

- Focus on automation with both cost and operational efficiency without compromising quality.
- Focus on effective claims management beyond claims processing being done currently.
- Focus on advisory services with customization support on policies and coverage to enhance customer satisfaction.
- Focus on global coverage with IPMI (International Private Medical Insurance), which is largely driven by corporate and industrial sector growth in India. With globalization, most Indian employees are deputed to support their global clients outside India in long-term projects, increasing the need for IPMI.
- Focus on modular services to insurers, including NaaS (Network as a Service), PaaS (Platform as a Service), FWA (Fraud, Waste, and Abuse), etc.
- Focus on technologies and services to enhance customer experience for both hospitals and patients.
- Focus on real-time support and move beyond claims management with marketplace offerings in the health insurance sector.

[7]Industry KOLs

In the Indian ecosystem, there are very few players who are focused on driving the sector as health benefits administrators. But in the next 5-10 years, Frost & Sullivan expects many more companies to move to become health benefits administrators, while the existing BASs like Medi Assist are likely to become key players leading the sector because of their scale, presence, and technology capabilities.

## Our Footprint (FY 2023)

**₹ 145+ Bn**
Premiums under management

**14,000+**
Provider partnerships

**6+ Mn**
Claims intimated annually

**36**
Insurer partnerships*

**141**
Countries with network

**81**
Offices pan India**

**9,500+**
Enterprise clients

**5,400 +**
Employees

India & international*
Including govt. schemes offices**

## OUR RESULTS OF OPERATIONS

The following table sets forth the selected financial data from our Restated Consolidated Financial Information for the Financial Years 2021, 2022 and 2023, the components of which are also expressed as a percentage of total income for such years:

| Particulars | For the Financial Years 2021 | | For the Financial Years 2022 | | For the Financial Years 2023 | |
|---|---|---|---|---|---|---|
| | ₹ (in millions) | % of Total Income | ₹ (in millions) | % of Total Income | ₹ (in millions) | % of Total Income |
| **Continuing operations** | | | | | | |
| **Income** | | | | | | |
| Revenue from contracts with customers | 3,227.42 | 93.39% | 3,938.10 | 95.58% | 5,049.34 | 97.30% |
| Other income | 228.32 | 6.61% | 182.13 | 4.42% | 140.21 | 2.70% |
| **Total income** | **3,455.74** | **100.00%** | **4,120.23** | **100.00%** | **5,189.55** | **100.00%** |
| **Expenses** | | | | | | |
| Employee benefits expenses | 1,432.64 | 41.46% | 1,556.79 | 37.78% | 1,976.93 | 38.09% |
| Finance costs | 57.26 | 1.66% | 29.50 | 0.72% | 29.89 | 0.58% |
| Depreciation and amortisation expenses | 316.59 | 9.16% | 284.08 | 6.89% | 267.69 | 5.16% |
| Other expenses | 1,038.83 | 30.06% | 1,469.10 | 35.66% | 1,878.95 | 36.21% |
| **Total expenses** | **2,845.32** | **82.34%** | **3,339.47** | **81.05%** | **4,153.46** | **80.04%** |
| **Restated Profit before exceptional item and tax** | **610.42** | **17.66%** | **780.76** | **18.95%** | **1,036.09** | **19.96%** |
| Exceptional item | – | 0.00% | 26.11 | 0.63% | – | 0.00% |
| Restated Profit before tax for the year from continuing operations | 610.42 | 17.66% | 806.87 | 19.58% | 1,036.09 | 19.96% |
| **Income tax expense** | | | | | | |
| Current tax | 290.07 | 8.39% | 192.26 | 4.67% | 279.41 | 5.38% |
| Adjustment for tax relating to earlier years | (4.65) | (0.13)% | (38.99) | (0.95)% | – | 0.00% |
| Deferred tax | (55.05) | (1.59)% | 18.93 | 0.46% | 3.60 | 0.07% |
| **Total income tax expense** | **230.37** | **6.67%** | **172.20** | **4.18%** | **283.01** | **5.45%** |
| **Restated Profit after tax for the year from continuing operations** | **380.05** | **11.00%** | **634.67** | **15.40%** | **753.08** | **14.51%** |
| **Discontinued operations** | | | | | | |
| Restated Profit/(loss) before tax for the year from discontinued operations | (150.54) | (4.36)% | 10.04 | 0.24% | (16.92) | (0.33)% |
| Tax expense/(credit) of discontinued operations for the year | 33.23 | 0.96% | (2.53) | (0.06)% | 4.26 | 0.08% |
| **Restated Profit/(loss) for the year from discontinued operations** | **(117.31)** | **(3.39)%** | **7.51** | **0.18%** | **(12.66)** | **(0.24)%** |
| **Restated Profit for the year** | **262.74** | **7.60%** | **642.18** | **15.59%** | **740.42** | **14.27%** |

### Financial Year 2023 compared to Financial Year 2022

**Income**

**Total Income.**

Our total income increased by 25.95% to ₹ 5,189.55 million for the Financial Year 2023 from ₹ 4,120.23 million for the Financial Year 2022, primarily due to increase in revenue from contracts with customers.

**Revenue from contracts with customers.**

Our revenue from contracts with customers increased by 28.22% to ₹ 5,049.34 million for the Financial Year 2023 from ₹ 3,938.10 million for the Financial Year 2022, primarily due to an increase in our income from TPA services to ₹ 4,863.79 million for the Financial Year 2023 from ₹ 3,853.77 million for the Financial Year 2022. The increase in our income from TPA services was primarily due to an increase in our total premium under management to ₹ 145,746.49 million for the Financial Year 2023 from ₹ 110,488.75 million for the Financial Year 2022, which was largely attributable to the growth of our group accounts portfolio as a result of an increase in business from existing accounts and new group accounts secured. The increase in income from TPA services was also on account of our retention of 94.17% of all our group premiums serviced during the Financial Year 2023. Further, the increase in income from TPA services was also on account of an increase in our revenue from operations attributable to servicing government-sponsored insurance schemes to ₹ 536.19 million during the Financial Year 2023 from ₹ 471.15 million during the Financial Year 2022, primarily due to our continuing involvement in major Government projects as well as our servicing of two new government-sponsored insurance schemes during the Financial Year 2023. Our income from TPA services also includes ₹ 24.93 million in the Financial Year 2023 due to our acquisition of Medvantage during the Financial Year 2023.

The increase in revenue from contracts with customers was also due to an increase in income from health management services to ₹ 126.56 million for the Financial Year 2023 from ₹ 43.99 million for the Financial Year 2022, and an increase in license fee to ₹ 33.40 million for the Financial Year 2023 from ₹ 0.44 million for the Financial Year 2022. The increase in income from health management services was mainly on account of our inorganic growth through the acquisition of Mayfair UK during the Financial Year 2023. The increase in income from license fee was mainly on account of the provision of our claims management platform (on a software-as-a-service model) to customers during the Financial Year 2023. This was partially offset by a decrease in our business support services from ₹ 39.90 million during the Financial Year 2022 to ₹ 25.59 million during the Financial Year 2023. This was on account of reduction in the workspace billing.

### Other income.

Our other income decreased by 23.02% to ₹ 140.21 million for the Financial Year 2023 from ₹ 182.13 million for the Financial Year 2022, primarily due to a decrease in net gain on financial assets measured at fair value through profit or loss to ₹ 12.56 million for the Financial Year 2023 from ₹ 46.34 million for the Financial Year 2022. Other income for the Financial Year 2022 included profit realised from sale of platform business of ₹ 69.70 million, and decrease in net gain on financial assets measured at fair value through profit or loss was mainly on account of fair valuation of the mutual funds as on the balance sheet date.

## Expenses

### Employee benefits expenses.

Employee benefits expenses increased by 26.99% to ₹ 1,976.93 million for the Financial Year 2023 from ₹ 1,556.79 million for the Financial Year 2022, primarily due to an increase in salaries, bonus and allowances to ₹ 1,759.07 million for the Financial Year 2023 from ₹ 1,354.71 million for the Financial Year 2022. The increase in salaries, bonus and allowances was mainly on account of an increase in number of members of our leadership team and our work force (primarily in the claims management, operations and provider partnership teams) during the year to support the growth in our business. Our total employees increased to 5,407 as of March 31, 2023 from 4,827 as of March 31, 2022.

### Finance costs.

Our finance costs increased by 1.32% to ₹ 29.89 million for the Financial Year 2023 from ₹ 29.50 million for the Financial Year 2022, primarily due to interest on put option liability over NCI on account of the acquisitions of IHMS, Mayfair India and Mayfair UK in the Financial Year 2023.

### Depreciation and amortisation expense.

Our depreciation and amortisation expense decreased by 5.77% to ₹ 267.69 million for the Financial Year 2023 from ₹ 284.08 million for the Financial Year 2022, primarily on account of a decrease in depreciation on property, plant and equipment to ₹ 98.03 million in the Financial Year 2023 from ₹ 116.73 million for the Financial Year 2022. The decrease in depreciation on property, plant and equipment was primarily due to the reduction in new asset additions over the previous year and lower net value on account of assets nearing completion of their useful life.

### Other expenses.

Our other expenses increased by 27.90% to ₹ 1,878.95 million for the Financial Year 2023 from ₹ 1,469.10 million for the Financial Year 2022, primarily due to an increase in sub-contracting expenses to ₹ 611.05 million for the Financial Year 2023 from ₹ 553.77 million for the Financial Year 2022, an increase in advertisement and business promotion expenses to ₹ 185.58 million for the Financial Year 2023 from ₹ 72.62 million for the Financial Year 2022, and an increase in legal and professional expenses to ₹ 178.64 million for the Financial Year 2023 from ₹ 126.69 million for the Financial Year 2022. The increase in subcontracting expenses was mainly on account of growth in our business and our involvement in servicing two new government-sponsored insurance schemes. The increase in advertisement and business promotion expenses was mainly on account of additional business development activity to support growth of our business. The increase in legal and professional expenses was mainly on account of an increase in investigation fees as required by our customers, and an increase in transaction expenses arising from our acquisitions during the Financial Year 2023.

### Income tax expense.

Our total income tax expense increased by 64.35% to ₹ 283.01 million for the Financial Year 2023 from ₹ 172.20 million for the Financial Year 2022, primarily on account of an increase in current tax to ₹ 279.41 million for the Financial Year 2023 from ₹ 192.26 million for the Financial Year 2022. The increase in current tax was mainly on account of an increase in profit before tax and on account of distribution of dividend by Medi Assist TPA not remitted onwards to its shareholders by the Company.

### Restated Profit/(loss) for the year from discontinued operations.

We reported a restated loss for the year from discontinued operations of ₹ 12.66 million for the Financial Year 2023 ascompared to a restated profit for the year from discontinued operations of ₹ 7.51 million for the Financial Year 2022, primarily due to a decrease in revenues from discontinued operations.

### Restated profit for the year.

As a result of the foregoing, we reported a restated profit for the year of ₹ 740.42 million for the Financial Year 2023 as compared to a reported restated profit for the year of ₹ 642.18 million for the Financial Year 2022.

Medi Assist

# Standalone Balance Sheet

as at March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

| Particulars | Notes | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 53.59 | 49.80 |
| Right-of-use assets | 5 (a) | 15.59 | 26.21 |
| Other intangible assets | 6 | 163.14 | 19.52 |
| Intangible assets under development | 6 | - | 64.61 |
| Financial assets | | | |
| Investments | 7 (a) | 806.25 | 652.33 |
| Other financial assets | 7 (b) | 45.01 | 33.68 |
| Income tax assets (net) | 8 | 52.08 | 17.89 |
| Deferred tax assets (net) | 9 | 32.32 | 43.12 |
| Other non-current assets | 10 | 1.16 | 2.77 |
| **Total non-current assets** | | **1,169.14** | **909.93** |
| **Current assets** | | | |
| Financial assets | | | |
| Investments | 11 (a) | 146.50 | 381.01 |
| Trade receivables | 11 (b) | 128.10 | 357.59 |
| Cash and cash equivalents | 11 (c) | 197.24 | 34.27 |
| Bank balances other than cash and cash equivalents above | 11 (d) | 47.67 | 24.48 |
| Other financial assets | 11 (e) | 199.34 | 153.64 |
| Other current assets | 12 | 88.72 | 88.69 |
| **Total current assets** | | **807.57** | **1,039.68** |
| **Total assets** | | **1,976.71** | **1,949.61** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 13 | 344.30 | 344.30 |
| Other equity | 14 | 1,333.74 | 1,326.93 |
| **Total equity** | | **1,678.04** | **1,671.23** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | 5 (b) | 9.39 | 28.39 |
| Provisions | 15 | 8.48 | 9.06 |
| **Total non-current liabilities** | | **17.87** | **37.45** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | 5 (b) | 19.00 | 17.42 |
| Trade payables | 16 (a) | | |
| Total outstanding dues of micro enterprises and small enterprises | | 0.60 | 0.96 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 91.01 | 44.36 |
| Other financial liabilities | 16 (b) | 145.24 | 124.09 |
| Contract liabilities | | 1.19 | - |
| Other current liabilities | 17 | 19.36 | 49.48 |
| Provisions | 18 | 4.40 | 4.62 |
| **Total current liabilities** | | **280.80** | **240.93** |
| **Total liabilities** | | **298.67** | **278.38** |
| **Total equity and liabilities** | | **1,976.71** | **1,949.61** |
| Summary of significant accounting policies | 3 | | |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Amit Kumar Jhunjhunwala**
Partner
Membership Number: 067183

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: July 21, 2023

Place: Bengaluru
Date: July 21, 2023

Place: Bengaluru
Date: July 21, 2023

# Standalone Statement of Profit and Loss

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, except share data and per share data unless otherwise stated)*

| Particulars | Notes | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Income** | | | |
| Revenue from contracts with customers | 19 | 637.88 | 546.48 |
| Other income | 20 | 217.13 | 108.98 |
| **Total income** | | **855.01** | **655.46** |
| **Expenses** | | | |
| Employee benefits expense | 21 | 196.40 | 151.62 |
| Finance costs | 22 | 3.32 | 4.59 |
| Depreciation and amortisation expenses | 23 | 57.02 | 84.66 |
| Other expenses | 24 | 408.66 | 260.00 |
| **Total expenses** | | **665.40** | **500.87** |
| **Profit before exceptional item and tax** | | **189.61** | **154.59** |
| Exceptional item | 42 | - | (26.11) |
| **Profit before tax for the year** | | **189.61** | **180.70** |
| **Income tax expense** | 31 | | |
| Current tax | | 17.15 | 30.29 |
| Adjustment for current tax relating to earlier years | | - | (38.99) |
| Deferred tax | | 6.53 | 4.43 |
| **Total income tax expense** | | **23.68** | **(4.27)** |
| **Profit for the year** | | **165.93** | **184.97** |
| **Other comprehensive income / (loss)** | | | |
| **Items that will not be reclassified to profit or loss in subsequent periods:** | | | |
| Re-measurement of defined benefit plans | | (0.79) | (2.04) |
| Fair value changes in equity instruments through other comprehensive income | | (56.72) | (5.34) |
| Income tax relating to items that will not be reclassified to profit and loss | | (4.27) | 1.13 |
| **Other comprehensive loss for the year, net of tax** | | **(61.78)** | **(6.25)** |
| **Total comprehensive income for the year** | | **104.15** | **178.72** |
| **Earnings per share [Face value of ₹ 5 per share (March 31, 2022: ₹ 5 per share)]"** | 26 | | |
| Basic (₹) | | 2.41 | 2.69 |
| Diluted (₹) | | 2.39 | 2.66 |
| Summary of significant accounting policies | 3 | | |

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Amit Kumar Jhunjhunwala**
Partner
Membership Number: 067183

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: July 21, 2023

Place: Bengaluru
Date: July 21, 2023

Place: Bengaluru
Date: July 21, 2023

# Standalone Statement of Cash Flows

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

| Particulars | Notes | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax for the year | | 189.61 | 180.70 |
| **Adjustments:** | | | |
| Depreciation and amortisation expenses | 23 | 57.02 | 84.68 |
| Allowance for expected credit losses on trade receivables and other receivables | 24 | 0.33 | 7.04 |
| Provision for doubtful advances and other receivables | 24 | 11.30 | - |
| Employee stock option compensation expense | 21 | 21.12 | 14.99 |
| Bad debts written off (net) | 24 | 1.30 | - |
| Finance costs | 22 | 3.32 | 4.59 |
| Profit on sale of investments in mutual funds | 20 | (7.05) | (6.71) |
| Profit on sale of platform business | 20 | - | (69.70) |
| Interest income | 20 | (3.19) | (3.21) |
| Net gain on financial assets measured at fair value through profit and loss | 20 | (3.91) | (13.49) |
| Creditors/Provisions no longer required written back | 20 | (0.04) | (6.08) |
| Fair value loss on derivatives measured through FVTPL | 20 | 3.05 | - |
| Loss on disposal of property, plant and equipment (net) | 24 | 0.22 | - |
| Loss on modification of lease contract | 24 | - | 5.67 |
| Dividend income from a subsidiary company | 20 | (200.00) | - |
| **Operating profit before working capital changes** | | 73.08 | 198.48 |
| **Working capital adjustments:** | | | |
| Increase in trade payables | | 46.33 | 21.24 |
| Increase/(decrease) in other liabilities | | 1.02 | (83.10) |
| Decrease in provisions | | (1.59) | (8.29) |
| Decrease/(increase) in trade receivables | | 229.16 | (58.08) |
| Increase in other assets | | (55.90) | (74.34) |
| **Cash generated from/(used in) operations:** | | **292.10** | **(4.09)** |
| Income taxes paid (net) | | (50.48) | (79.02) |
| **Net cash flows from/ (used in) operating activities (A)** | | **241.62** | **(83.11)** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment, other intangible assets including capital advances | | (56.11) | (19.83) |
| Payments for intangible assets under development | | (82.18) | (57.67) |
| Payment for acquisition of subsidiaries | | (214.20) | - |
| Proceeds from sale of property, plant and equipment | | 0.06 | 92.50 |
| Sale/(purchase) of investments in mutual funds (net) | | 245.47 | (69.99) |
| (Investments)/redemption of bank deposits | | (23.37) | 8.31 |
| Dividend received from a subsidiary company | | 200.00 | - |
| Interest received | | 2.42 | 3.13 |
| **Net cash flows from/(used in) investing activities (B)** | | **72.09** | **(43.55)** |

# Standalone Statement of Cash Flows

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

| Particulars | Notes | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Dividends paid | 14 | (130.14) | (172.15) |
| Payment (including interest) of lease liabilities | 5 (b) | (20.60) | (21.99) |
| **Net cash used in financing activities (C)** | | **(150.74)** | **(194.14)** |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | | **162.97** | **(320.80)** |
| Cash and cash equivalents at the beginning of the year | | 34.27 | 355.07 |
| **Cash and cash equivalents at the end of the year** | | **197.24** | **34.27** |
| **Component of cash and cash equivalents** | 11 (c) | | |
| Balances with banks | | | |
| - In current accounts | | 197.23 | 34.16 |
| Cash on hand | | 0.01 | 0.11 |
| **Total cash and cash equivalents at the end of the year** | | **197.24** | **34.27** |

## Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

| Particulars | Notes | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **(a) Lease liabilities (Non-current and current):** | | | |
| Opening balance | 5(b) | 45.81 | 55.76 |
| **(i) Non-cash movements in lease liabilities** | | | |
| Interest expense for the year | | 3.18 | 4.59 |
| Lease modification entered during the year | | - | 7.45 |
| **(ii) Cash movements in financing activities** | | - | 7.45 |
| Payment (including interest) of lease liabilities | | (20.60) | (21.99) |
| **Closing balance** | | **28.39** | **45.81** |
| Summary of significant accounting policies | 3 | | |

The above standalone statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 - "Statement of Cash Flows" notified under section 133 of Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 (as amended) and the relevant provisions of the Act.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Amit Kumar Jhunjhunwala**
Partner
Membership Number: 067183

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: July 21, 2023

Place: Bengaluru
Date: July 21, 2023

Place: Bengaluru
Date: July 21, 2023

# Standalone Statement of Changes in Equity

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, except share data and per share data unless otherwise stated)*

## A. Equity share capital

| Particulars | Notes | For the year ended March 31, 2023 | | For the year ended March 31, 2022 | |
|---|---|---|---|---|---|
| | | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 13(a) | 6,88,59,212 | 344.30 | 37,181 | 0.37 |
| Sub-division of shares during the year from ₹ 10 to ₹ 5 each | 13(a) | - | - | 37,181 | - |
| Bonus shares issued during the year | 13(a) | - | - | 6,87,84,850 | 343.93 |
| **Balance at the end of the year** | | **6,88,59,212** | **344.30** | **6,88,59,212** | **344.30** |

## B. Other equity*

| Particulars | Notes | Reserves and Surplus | | | | | | Items of Other Comprehensive Income (OCI) | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Employee stock option reserve | Securities premium | General reserve | Demerger deficit balance | Other equity | Retained earnings | Equity instruments through OCI | |
| **Balance as at April 1, 2021** | | **55.75** | **1,089.79** | **1.36** | **(370.18)** | **369.85** | **549.28** | **(54.60)** | **1,641.25** |
| Profit for the year | | - | - | - | - | - | 184.97 | - | 184.97 |
| Remeasurements of defined benefit plans, net of tax | | - | - | - | - | - | (1.53) | - | (1.53) |
| Other comprehensive loss for the year, net of tax | | - | - | - | - | - | - | (4.72) | (4.72) |
| **Total comprehensive income for the year** | | **-** | **-** | **-** | **-** | **-** | **183.44** | **(4.72)** | **178.72** |
| **Transactions with owners of the Company:** | | | | | | | | | |
| Utilisation of securities premium on issue of bonus shares | 14 | - | (343.93) | - | - | - | - | - | (343.93) |
| Dividends paid during the year | 14 | - | - | - | - | - | (172.15) | - | (172.15) |
| Employee stock option compensation expense | | 14.99 | - | - | - | - | - | - | 14.99 |
| Transfer to employee stock option reserve | | 8.05 | - | - | - | - | - | - | 8.05 |
| **Balance as at March 31, 2022** | | **78.79** | **745.86** | **1.36** | **(370.18)** | **369.85** | **560.57** | **(59.32)** | **1,326.93** |

# Standalone Statement of Changes in Equity

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, except share data and per share data unless otherwise stated)*

## B. Other equity* (Contd..)

| Particulars | Notes | Reserves and Surplus | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Employee stock option reserve | Securities premium | General reserve | Demerger deficit balance | Other equity | Retained earnings | Equity instruments through OCI | |
| **Balance as at April 1, 2022** | | **78.79** | **745.86** | **1.36** | **(370.18)** | **369.85** | **560.57** | **(59.32)** | **1,326.93** |
| Profit for the year | | - | - | - | - | - | 165.93 | - | 165.93 |
| Remeasurements of defined benefit plans, net of tax | | - | - | - | - | - | (0.59) | - | (0.59) |
| Other comprehensive loss for the year, net of tax | | - | - | - | - | - | - | (61.19) | (61.19) |
| **Total comprehensive income for the period** | | **-** | **-** | **-** | **-** | **-** | **165.34** | **(61.19)** | **104.15** |
| **Transactions with owners of the Company:** | | | | | | | | | |
| Dividends paid during the year | 14 | - | - | - | - | - | (130.14) | - | (130.14) |
| Employee stock option compensation expense | | 21.12 | - | - | - | - | - | - | 21.12 |
| Transfer on account of forfeiture of ESOP options | | (0.38) | - | - | - | - | 0.38 | - | - |
| Transfer to employee stock option reserve | 28(a) | 11.68 | - | - | - | - | - | - | 11.68 |
| **Balance as at March 31, 2023** | | **111.21** | **745.86** | **1.36** | **(370.18)** | **369.85** | **596.15** | **(120.51)** | **1,333.74** |
| Summary of significant accounting policies | 3 | | | | | | | | |

*Refer note 14.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**Amit Kumar Jhunjhunwala**
Partner
Membership Number: 067183

Place: Bengaluru
Date: July 21, 2023

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: July 21, 2023

Place: Bengaluru
Date: July 21, 2023

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 1 Corporate information

Medi Assist Healthcare Services Limited ("the Company") is a public limited company domiciled in India and is incorporated on June 7, 2000 under the provisions of the Companies Act applicable in India. The Company received order from the Registrar of Companies with fresh certificate of incorporation upon conversion from private company to public company with effect from March 20, 2018. The Company's registered office is situated ar Tower D, 4th Floor, IBC Knowledge Park, 4/1, Bannerghatta Road, Bengaluru 560 029. The business operations of the Company are carried out at various cities in India.

The Company primarily derives its income by providing health management services, software subscription, software license services, consultancy services and other allied services pertaining to the healthcare and health insurance sector. The Company also provides business support services and other technical services.

## 2 Basis of preparation

**A Statement of compliance:**

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of Companies Act, 2013, (the 'Act') and presentation requirements of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and other relevant provisions of the Act (hereafter referred to as "standalone financial statements").

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date March 31, 2023. These financial statements were authorised for issuance by the Company's Board of Directors on July 21, 2023.

Accounting policies have been consistently applied to all the year presented, unless otherwise stated.

**B Functional and presentation currency**

These standalone financial statements are presented in Indian rupees, which is also the functional currency of the Company. All amounts have been rounded-off to the nearest million, upto two decimal places, unless otherwise indicated.

**C Basis of measurement**

The standalone financial statements have been prepared under the historical cost basis, except for the following:

| Items | Measurement basis |
|---|---|
| Certain financial assets and liabilities (including derivative instruments) | Fair value |
| Share based payment at grant date | Fair value |
| Defined benefit and other long-term employee benefits obligations | Present value of defined benefit obligations less fair value of plan assets. |

**D Use of estimates and judgements**

In preparing these standalone financial statements in conformity with Ind AS, management has made estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements, estimates and assumptions are required in particular for:**

**(a) Determination of the estimated useful lives:**

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, these are estimated by management 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*



**(b) Recognition of deferred tax assets:**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, (and unutilised business loss and depreciation carry-forwards and tax credits). Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

**(c) Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

**(d) Fair valuation of employee share options:**

The fair valuation of the employee share options is based on the Black-Scholes Model used for valuation of options. Key assumptions made are with respect to expected volatility, share price, expected dividends and discount rate, under this pricing model.

**(e) Impairment testing:**

Property, plant and equipment, investments, right-of-use assets, intangible assets and other assets are tested for impairment at least annually and when event occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less costs of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**(f) Leases**

The Company evaluates if an arrangement qualifies to be a lease based on the requirements of the relevant standard. Identification of a lease requires management judgment. Computation of the lease liabilities and right-of-use assets requires management to estimate the lease term (including anticipated renewals) and the applicable discount rate. Management estimates the lease term based on past practices and reasonably estimated/ anticipated future events. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**(g) Expected credit losses on financial assets:**

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate (in case of non current financial assets). For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**E Measurement of fair values**

The Company measures certain financial instruments at fair value at each balance sheet date. 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:

(i) In the principal market for the asset or liability, or

(ii) 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 Company. 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1 -** quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2 -** valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3 -** valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of standalone financial instruments.

Further information about the assumptions made in measuring fair values is included in the following notes:

- **Note 28:** Employee share based payments.
- **Note 29:** Financial Instruments.

**F Current and non-current classification**

The Company presents assets and liabilities in the Standalone Balance Sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded; - it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include current portion of non-current assets/ liabilities respectively.

All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

**Operating cycle**

Based on the nature of the operations and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

## 3 Summary of significant accounting policies

**a. Financial instruments**

**(i) Recognition and initial measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**Recognition and initial measurement – financial assets and financial liabilities:**

A financial asset (except for trade receivables and unbilled revenue/contract assets) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the standalone statement of profit and loss.

**Finance income and expenses**

Finance income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognised as it accrues in the standalone statement of profit and loss, using the effective interest method.

Dividend income is recognised in the standalone statement of profit and loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

Finance expenses consist of interest expense on loans and borrowings and financial liabilities. The costs of these are recognised in the standalone statement of profit and loss using the effective interest method.

**(ii) Classification and subsequent measurement**

***Financial assets***

The Company classifies financial assets as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit and loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**Amortised cost:**

A financial asset is classified and measured at amortised cost if both of the following conditions are met:

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

***Fair value through other comprehensive income ("FVOCI"):***

A financial asset is classified and measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

***Fair value through profit and loss ("FVTPL")***

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVOCI. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this reflects the best way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered as sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

**Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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

**(iii) Financial assets: Subsequent measurement and gains and losses**

| | |
|---|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in standalone statement of profit and loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in standalone Statement of Profit and Loss. Any gain or loss on derecognition is recognised in standalone statement of profit and loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in standalone Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to standalone statement of profit and loss. |

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in standalone Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

Interest expense and foreign exchange gains and losses are recognised in standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in standalone Statement of Profit and Loss.

**(iv) Derecognition**

***Financial assets***

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

***Financial liabilities***

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the standalone statement of profit and loss.

**(v) Offsetting financial instruments:**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**b. Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the standalone statement of profit and loss.

**c. Cash and cash equivalents**

Cash and cash equivalents in the standalone 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 standalone statement of cash flows, cash and cash equivalents consist of cash excluding restricted cash balance and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Any cash and cash equivalents, other bank balances with significant restrictions with regards to the Company's ability to freely use it is disclosed appropriately by way of a foot note.

**d. Statement of cash flows**

Cash flows are reported using indirect method, whereby net 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 operating, investing and financing activities of the Company are segregated.

**e. Earnings per share**

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

Diluted EPS adjust the figures used in the determination of basic EPS to consider:

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**f. Revenue from contracts with customers**

***Income from services***

The Company follows Ind AS 115 "Revenue from Contracts with Customers". Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services (net of goods and services tax). Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

Revenue from software subscription fee is recognised on the basis of number of claims processed by the Company in accordance with the terms of the service agreement entered with the customer.

Revenue from licenses where the customers obtains "right to access" is recognised over the access period as per the contract with the customers.

Revenue from health management services comprise of rendering health administration work. Such amounts are recognised as revenue on a pro-rata basis during the period of the underlying contract with the customers. Performance obligations while rendering services are satisfied over time.

Revenue from services also comprise business support services incurred for other companies and are recognised as and when these services are rendered.

Revenue in excess of invoicing are classified as unbilled receivables where related performance obligations are rendered over the contract term and right to consideration is unconditional. Invoicing in excess of revenues are classified as contract liabilities.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**g. Property, plant and equipment**

**Recognition and measurement:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

An item of property, plant and equipment is eliminated from the standalone financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the standalone statement of profit and loss.

**Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

**Depreciation**

Depreciation on property, plant and equipment is provided on straight-line method over the useful lives determined based on internal assessment by the management which in certain instances are different from those prescribed under Part C of Schedule II of the Companies Act, 2013 in order to reflect actual usage of the assets. The Company estimates the useful lives for property, plant and equipment as follows:

| Category of assets | Useful life (in years) |
|---|---|
| Furniture and fixtures | 10 |
| Office equipment | 5 |
| Electrical equipment | 10 |
| Computers and Computer equipments, servers and network | 3-6 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

Leasehold improvements are depreciated over the lease term or the useful lives of the assets, whichever is lower.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use and the depreciation charge for the year is recognised in the standalone statement of profit and loss.

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

**h. Intangible assets**

**(i) Recognition and measurement**

***Acquired intangible assets***

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors such as the stability of the industry and technology required to obtain the expected future cash flows from the asset.

***Intangible assets under development***

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

***Subsequent expenditure***

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the standalone statement of profit and loss as incurred.

**Amortisation**

Amortisation is recognised in the standalone statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Management believes that period of amortisation is representative of the period over which the Company expects to derive economic benefits from the use of the assets. Amortisation methods and useful lives are reviewed periodically including at each financial year end. Amortisation on additions and disposals during the year is provided on proportionate basis.

The intangible assets are amortised over the estimated useful lives as given below:

| Asset categories | Useful life in years |
|---|---|
| Software and licenses | 3 |

**Derecognition of intangible assets**

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon 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.

**i. Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets which are measured at amortised cost e.g., loans receivables, deposits and bank balance.

b) Trade receivables or contract assets/unbilled receivables or another financial asset that result from transactions that are within the scope of Ind AS 115.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision policy that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

**Write off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for the recovery of amount due.

**j. Impairment of non-financial assets**

In accordance with Ind AS 36, the Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

**j. Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company's leased asset class primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

(iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less accumulated amortisation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and standalone Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the standalone statement of profit and loss.

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

*Critical judgements in 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).

For leases of buildings, the following factors are normally the most relevant:

(a) If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).

(b) If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).

(c) Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

**k. Employee benefits**

***(i) 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, bonus and ex-gratia. The undiscounted amount of short-term employee benefits expected to be paid in exchange for employee services is recognised as an expense for the related service rendered by employees.

***(ii) Post-employment benefits:***

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund and employees state insurance to a Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the standalone statement of profit and loss during the period in which the employee renders the related service.

**Defined benefit plans**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such benefit plan is determined by independent qualified actuary using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date. The Company classifies the gratuity as current and non-current based on the actuarial valuation reports or based on expected future cash flows.

Actuarial gains or losses are recognised in other comprehensive income (OCI). Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in the standalone statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the standalone statement of profit and loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the standalone statement of profit and loss as past service cost.

The Company has considered only such changes in legislation which have been enacted upto the balance sheet date for the purpose of determining defined benefit obligation.

***(iii) Other long- term employee benefits:***

**Compensated absences**

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured by independent qualified actuary using the Projected Unit Credit Method. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit.

***(iv) Share-based compensation:***

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 28.

That cost is recognised, together with a corresponding increase in employee stock option reserve in equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the standalone statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**l. Taxation**

Income tax comprises current and deferred tax. Income tax expense is recognised in the standalone statement of profit and loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

***Current income tax***

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting dates.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the assets and settle the liability on a net basis or simultaneously.

***Deferred tax***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits (if any). Deferred tax is not recognised for:

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.

- temporary differences related to investments in subsidiary and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. 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 recognised or unrecognised 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.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

**m. Cash and cash equivalents**

Cash and cash equivalents in the standalone 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 standalone statement of cash flows, cash and cash equivalents consist of cash excluding restricted cash balance and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Any cash and cash equivalents, other bank balances with significant restrictions with regards to the Company's ability to freely use it is disclosed appropriately by way of a foot note.

**n. Provisions (other than for employee benefits) and contingent liabilities**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made.

A contingent asset is not recognised but disclosed in the Company's standalone financial statements where an inflow of economic benefit is probable.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

**o. Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company's chief operating decision maker is the Board of Directors.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**p. Cash dividend**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders (in the case of interim dividend it is approved by Board of Directors). A corresponding amount is recognised directly in equity.

**q. Recent pronouncement on Indian Accounting Standards (Ind AS):**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no significant impact on its standalone financial statements.

**r. Investment in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the standalone statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the standalone statement of Profit and Loss

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 4 Property, plant and equipment*

| Particulars | Leasehold improvements | Furniture and fixtures | Office equipment | Electrical equipment | Computers | Total |
|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | |
| **Balance as at April 1, 2021** | 92.15 | 54.11 | 18.56 | - | 69.72 | 234.54 |
| Additions | - | - | - | 1.92 | 2.32 | 4.24 |
| Disposals | - | - | (0.20) | - | (0.78) | (0.98) |
| **Balance as at March 31, 2022** | **92.15** | **54.11** | **18.36** | **1.92** | **71.26** | **237.80** |
| Additions | - | - | - | - | 21.21 | 21.21 |
| Disposals | (5.25) | (1.64) | (8.15) | - | (32.03) | (47.07) |
| **Balance as at March 31, 2023** | **86.90** | **52.47** | **10.21** | **1.92** | **60.44** | **211.94** |
| **Accumulated depreciation** | | | | | | |
| **Balance as at April 1, 2021** | 65.68 | 22.97 | 16.12 | - | 52.79 | 157.56 |
| Charge for the year | 17.76 | 5.05 | 0.83 | 0.13 | 7.29 | 31.05 |
| Disposals | - | - | (0.19) | - | (0.43) | (0.61) |
| **Balance as at March 31, 2022** | **83.44** | **28.02** | **16.76** | **0.13** | **59.65** | **188.00** |
| Charge for the year | 4.73 | 5.05 | 0.66 | 0.19 | 6.50 | 17.13 |
| Disposals | (5.25) | (1.64) | (7.87) | - | (32.03) | (46.79) |
| **Balance as at March 31, 2023** | **82.92** | **31.43** | **9.55** | **0.32** | **34.12** | **158.34** |
| **Net carrying value as at March 31, 2023** | **3.98** | **21.04** | **0.66** | **1.60** | **26.32** | **53.59** |
| **Net carrying value as at March 31, 2022** | **8.71** | **26.09** | **1.60** | **1.79** | **11.61** | **49.80** |

* All property, plant and equipment are held in the name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

## 5 (a) Right-of-use assets

| Particulars | Buildings | Total |
|---|---|---|
| **Gross carrying value** | | |
| Balance as at April 1, 2021 | 60.73 | 60.73 |
| Additions | 1.78 | 1.78 |
| **Balance as at March 31, 2022** | **62.51** | **62.51** |
| **Accumulated amortisation** | | |
| Balance as at April 1, 2021 | 24.92 | 24.92 |
| Amortisation for the year | 11.38 | 11.38 |
| **Balance as at March 31, 2022** | **36.30** | **36.30** |
| **Net carrying value as at 31 March 2022** | **26.21** | **26.21** |

| Particulars | Buildings | Total |
|---|---|---|
| **Gross carrying value** | | |
| Balance at April 1, 2022 | 62.51 | 62.51 |
| Additions | - | - |
| **Balance as at March 31, 2023** | **62.51** | **62.51** |
| **Accumulated amortisation** | | |
| Balance at April 1, 2022 | 36.30 | 36.30 |
| Amortisation for the year | 10.62 | 10.62 |
| **Balance as at March 31, 2023** | **46.92** | **46.92** |
| **Net carrying value as at 31 March 2023** | **15.59** | **15.59** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 5 (b) Lease liabilities

**A The following is the movement of lease liabilities**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Opening balance | 45.81 | 55.76 |
| Lease modification entered during the year | - | 7.45 |
| Accretion of interest | 3.18 | 4.59 |
| Payment (including interest) of lease liabilities | (20.60) | (21.99) |
| **Closing balance** | **28.39** | **45.81** |

**B The following is the break-up of lease liabilities:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Current lease liabilities | 19.00 | 19.00 |
| Non-current lease liabilities | 9.39 | 9.39 |
| | **28.39** | **28.39** |

**C The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Less than one year | 20.60 | 20.60 |
| One to five years | 8.61 | 29.21 |
| | **29.21** | **49.81** |

**D Amount recognised in Standalone Statement of Profit and Loss**

The Company has applied weighted average incremental borrowing rate of 9% per annum for lease liabilities recognised in the balance sheet. The Company does not face a significant liquidity risk with regards to its lease liability as the current assets are sufficient to meet the obligations related to lease liabilities as and when they falls due. The following are the amounts recognised in the statement of profit and loss:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Interest expense on lease liabilities | 3.18 | 4.59 |
| Amortisation expense of right-of-use assets | 10.62 | 11.38 |
| Gain or (loss) for modification of lease contract | - | (5.67) |
| Expense relating to short-term leases and low value assets- presented under other expenses- Rent | 1.27 | 8.60 |

During the period ended March 31, 2023, the Company incurred expenses amounting to ₹ 1.27 million (March 31, 2022: ₹ 8.60 million) for short-term leases and leases of low-value assets. For the period ended March 31, 2023, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 21.87 million (March 31, 2022 : ₹ 24.92 million (net of rent concessions)).

The Company leases office building. Rental contract is made for a fixed periods of 9 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreement do not impose any covenants other than the security deposit in the leased asset that are held by the lessor.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 6 Other intangible assets

| Particulars | Software and licenses | Intangible assets under development * |
|---|---|---|
| **Gross carrying value** | | |
| **Balance as at April 1, 2021** | 312.65 | 6.94 |
| Additions | 15.57 | 57.67 |
| **Balance as at March 31, 2022** | **328.22** | **64.61** |
| Additions | 172.89 | 82.18 |
| Capitalisation of intangiable assets under development | - | (146.79) |
| Disposals | (13.11) | - |
| **Balance as at March 31, 2023** | **488.00** | **-** |
| **Accumulated amortisation** | | |
| **Balance as at April 1, 2021** | 266.47 | - |
| For the year | 42.23 | - |
| **Balance as at March 31, 2022** | **308.70** | **-** |
| For the year | 29.27 | - |
| Disposals | (13.11) | |
| **Balance as at March 31, 2023** | **324.86** | **-** |
| **Net carrying value as at March 31, 2023** | 163.14 | - |
| **Net carrying value as at March 31, 2022** | **19.52** | **64.61** |

* Intangible assets under development are based on internal technical feasibility study carried out by Management with the intention to complete the self generated intangible assets. Management has assessed that such intangible assets will generate future economic benefits for the Company and therefore meet the capitalisation criteria in accordance with Ind AS 38 - "Intangible Assets".

**Intangible assets under development ageing schedule**

**As at March 31, 2023**

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |

**As at March 31, 2022**

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | 57.67 | - | 6.94 | - | 64.61 |
| **Total** | **57.67** | **-** | **6.94** | **-** | **64.61** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 7 Non-current financial assets

### 7 (a) Investments

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **(i) Quoted** | | |
| Equity shares designated at fair value through other comprehensive income (FVOCI):# | | |
| 124,992 (March 31, 2022: 124,992) equity shares of ₹ 5 each, fully paid up of The New India Assurance Company Limited | 12.16 | 13.96 |
| **(ii) Unquoted** | | |
| **(a) Investment in subsidiaries at cost:** | | |
| 4,012,370 equity shares (March 31, 2022 : 4,012,370 equity shares) of ₹ 10 each, fully paid-up of Medi Assist Insurance TPA Private Limited ("MAITPA") | 594.61 | 582.94 |
| 10,000 equity shares (March 31, 2022 : Nil) of ₹ 10 each, fully paid-up of International Healthcare Management Services Private Limited (refer note a below) | 46.66 | - |
| 11,484 equity shares (March 31, 2022 : Nil) of ₹ 10 each, fully paid-up of Mayfair Consultancy Services India Private Limited (refer note b below) | 38.90 | - |
| 2,400 (March 31, 2022 : Nil) equity shares of GBP 1 each, fully paid-up of Mayfair We Care Ltd (refer note c below) | 113.42 | - |
| **(b) Investment in others designated at fair value through other comprehensive income (FVOCI):#** | | |
| 13,719 equity shares (March 31, 2022 : 13,719 equity shares) of Re 1 each, fully paid up of Healthvista India Private Limited* | - | 54.93 |
| 5,000 equity shares (March 31, 2022 : 5,000 equity shares) of ₹ 100 each, fully paid up of Swasth Digital Health Foundation | 0.50 | 0.50 |
| **Total** | **806.25** | **652.33** |
| Aggregate book value of quoted investments and market value thereof | 12.16 | 13.96 |
| Aggregate value of unquoted investments | 794.09 | 638.37 |

Also refer note 29 for disclosure relating to fair values and financial risk management.

(a) The Company has acquired 10,000 equity shares representing 100% shares of International Healthcare Management Services Private Limited having its principle place of business in India on November 18, 2022 for a purchase consideration of ₹ 46.66 million. The acquisition is of significant strategic value for the Company.

(b) The Company has acquired 11,484 equity shares representing 100% shares of Mayfair Consultancy Services India Private Limited having its principle place of business in India on November 18, 2022 for a purchase consideration of ₹ 38.90 million. This acquisition is of significant strategic value for the Company.

(c) The Company has acquired 2,400 shares representing 60% shares of Mayfair We Care Ltd having its principle place of business in United Kingdom on November 25, 2022 for a purchase consideration of ₹ 128.64 million. Under the terms of the Sale and Purchase Agreement (""SPA""), the sellers have the right to exercise a put option that would require the Company to purchase the sellers' remaining 40% ownership interest. The terms of the SPA also includes a reciprocal call option, which would require the sellers to sell their 40% ownership interest to the Company. The fair value of option contracts on initial recognition amounting to ₹ 15.22 million has been adjusted from the cost of investments. The option contracts are subsequently carried at fair value through profit or loss.

* During the year ended 31 March 2023, management has carried out a detailed assessment on the performance of Healthvista India Private Limited and basis such assessment (considering the erosion of net worth, past losses and low likelihood of future profits), management has determined the fair value of such investment to be ₹ nil.

# The Company designated these investments as equity instruments at FVOCI because the Company intends to hold these equity securities for the long-term for strategic purposes.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 7 Non-current financial assets (Contd..)

### 7 (b) Other financial assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| **At amortised cost** | | |
| Security deposits | 26.08 | 27.38 |
| Deposits with original maturity of more than 12 months | 6.48 | 6.30 |
| Interest accrued but not due on fixed deposits | 0.28 | - |
| **Financial assets at FVTPL** | | |
| Derivative assets | 12.17 | - |
| **Credit impaired** | | |
| Security deposits | 1.85 | 0.55 |
| Less: Provision for doubtful security deposits | (1.85) | (0.55) |
| **Total** | **45.01** | **33.68** |

Also refer note 29 for disclosure relating to fair values and financial risk management.

## 8 Income tax assets (net)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Advance tax , net of provisions [Provisions ₹ 358.84 million (March 31, 2022: ₹ 341.69 million)] | 52.08 | 17.89 |
| **Total** | **52.08** | **17.89** |

## 9 Deferred tax assets (net)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Deferred tax assets** | | |
| Provision for employee benefits | 3.27 | 3.47 |
| Lease liabilities | 7.15 | 11.54 |
| Allowance for expected credit losses on trade receivables and other receivables | 6.14 | 3.54 |
| Security deposits | - | 0.14 |
| Property, plant and equipment and intangible assets | 10.64 | 23.62 |
| Other financial assets | 6.85 | 3.59 |
| Accrued expenses | 5.25 | 3.81 |
| **Total deferred tax assets** | **39.30** | **49.71** |
| **Deferred tax liabilities** | | |
| Right-of-use assets | 3.92 | 6.59 |
| Derivative assets | 3.06 | - |
| **Total deferred tax liabilities** | **6.98** | **6.59** |
| **Deferred tax assets (net)** | **32.32** | **43.12** |

Refer note 32 for movement in deferred taxes.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 10 Other non-current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Prepaid expenses | 1.16 | 2.77 |
| | **1.16** | **2.77** |

## 11 Current - Financial assets

### 11 (a) Investments

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Mutual funds at fair value through profit or loss (unquoted)** | | |
| Investments in mutual funds | 146.50 | 381.01 |
| **Total** | **146.50** | **381.01** |
| Aggregate value of unquoted investments | 146.50 | 381.01 |

Also refer note 29 for disclosure relating to fair values and financial risk management.

### 11 (b) Trade receivables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **At amortised cost** | | |
| Considered good - unsecured | 125.10 | 326.43 |
| Credit impaired | 11.61 | 11.28 |
| **Total receivables** | **136.71** | **337.71** |
| Less: Allowance for expected credit losses* | (11.61) | (11.28) |
| **Total (A)** | **125.10** | **326.43** |
| **Unbilled receivables** | | |
| Considered good - unsecured | 3.00 | 31.16 |
| **Total (B)** | **3.00** | **31.16** |
| **Total (A+B)** | **128.10** | **357.59** |

**Trade receivables ageing:**

**As at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| **Undisputed trade receivable - considered good** | 3.00 | 75.53 | 49.57 | - | - | - | - | 128.10 |
| Undisputed trade receivable - credit impaired | - | - | - | 11.61 | - | - | - | 11.61 |
| Disputed trade receivable - considered good | - | - | - | - | - | - | - | - |
| Disputed trade receivable - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed trade receivable - credit impaired | - | - | - | - | - | - | - | - |
| | **3.00** | **75.53** | **49.57** | **11.61** | **-** | **-** | **-** | **139.71** |
| Loss allowance | - | - | - | (11.61) | - | - | - | (11.61) |
| **Total** | **3.00** | **75.53** | **49.57** | **-** | **-** | **-** | **-** | **128.10** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 11 Current - Financial assets (Contd..)

**As at March 31, 2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| **Undisputed trade receivable - considered good** | 31.16 | 234.04 | 46.98 | 45.41 | - | - | - | 357.59 |
| Undisputed trade receivable - credit impaired | - | - | - | 0.88 | 10.41 | - | - | 11.29 |
| Disputed trade receivable - considered good | - | - | - | - | - | - | - | - |
| Disputed trade receivable - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed trade receivable - credit impaired | - | - | - | - | - | - | - | - |
| | **31.16** | **234.04** | **46.98** | **46.29** | **10.41** | **-** | **-** | **368.88** |
| Loss allowance | - | - | - | (0.88) | (10.41) | - | - | (11.29) |
| **Total** | **31.16** | **234.04** | **46.98** | **45.41** | **-** | **-** | **-** | **357.59** |

*Set out below is the movement in the allowance for expected credit losses of trade receivables:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Opening balance | 11.28 | 34.34 |
| Allowance for expected credit losses on trade receivables | 0.33 | 4.19 |
| Bad debts written off | - | (27.25) |
| **Closing balance** | **11.61** | **11.28** |

The Company does not charge any interest on overdue payments. Further, the average credit period ranges upto 120 days.

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Also refer note 29 for disclosure relating to fair values and financial risk management and note 36 for trade receivables from related parties.

### 11 (c) Cash and cash equivalents

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| At amortised cost | | |
| Cash on hand | 0.01 | 0.11 |
| Balances with banks | | |
| - In current accounts | 197.23 | 34.16 |
| **Total** | **197.24** | **34.27** |

Also refer note 29 for disclosure relating to fair values and financial risk management.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 11 Current - Financial assets (Contd..)

### 11 (d) Bank balances other than cash and cash equivalents above

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **At amortised cost** | | |
| Deposits with original maturity of more than three months but less than twelve months | 25.04 | 23.25 |
| Balances with banks | | |
| - Balance with self funded schemes * | 22.63 | 1.23 |
| **Total** | **47.67** | **24.48** |

* Balance with self funded schemes represent funds received from corporates for the purpose of providing health benefit services to their employees.

Also refer note 29 for disclosure relating to fair values and financial risk management.

### 11 (e) Other financial assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **At amortised cost** | | |
| **Considered good - unsecured** | | |
| Other receivables | 199.10 | 152.89 |
| Accrued interest income | 0.24 | 0.75 |
| **Credit impaired** | | |
| Other receivables | 2.83 | 2.83 |
| Less: Allowance for doubtful receivables | (2.83) | (2.83) |
| **Total** | **199.34** | **153.64** |

Also refer note 29 for disclosure relating to fair values and financial risk management and note 36 for receivables from related parties.

## 12 Other current assets

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Balances with government authorities | 10.16 | 9.62 |
| Advances to suppliers | 65.35 | 74.34 |
| Other advances | 1.04 | 1.08 |
| Prepaid expenses | 12.17 | 3.65 |
| **Credit impaired** | | |
| Advances to suppliers | 10.00 | - |
| Less: Allowance for doubtful advances | (10.00) | - |
| **Total** | **88.72** | **88.69** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 13 Equity share capital

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Authorised share capital:*** | | |
| 90,700,000 (March 31, 2022: 90,700,000) equity shares of ₹ 5 each | 453.50 | 453.50 |
| **Total** | **453.50** | **453.50** |
| **Issued, subscribed and fully paid-up shares:** | | |
| 68,859,212 (March 31, 2022: 68,859,212) equity shares of ₹ 5 each | 344.30 | 344.30 |
| **Total** | **344.30** | **344.30** |

*Pursuant to a resolution passed by the Shareholders of the Company on April 7, 2021 through extra-ordinary general meeting, the authorised share capital of the Company of ₹ 453.50 million comprising of 45,350,000 Equity Shares of ₹ 10 each was sub-divided to ₹ 453.50 million comprising of 90,700,000 Equity Shares of ₹ 5 each.

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Equity shares** | | | | |
| At the beginning of the year | 6,88,59,212 | 344.30 | 37,181 | 0.37 |
| Sub-division of shares during the year from ₹ 10 to ₹ 5 each* | - | - | 37,181 | - |
| Bonus shares issued during the year* | - | - | 6,87,84,850 | 343.93 |
| **Balance at the end of the reporting year** | **6,88,59,212** | **344.30** | **6,88,59,212** | **344.30** |

* Pursuant to a resolution passed by the Shareholders on 7 April 2021 and subsequent allotment on 9 April 2021, the Company has sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each. Further, the Company has allotted 68,784,850 equity shares of face value of ₹ 5 each by way of bonus issue to its shareholders and consequently the paid-up share capital of the Company has increased to 68,859,212 equity shares of face value of ₹ 5 each. The Board authorised for appropriate adjustments on allotment of share split and bonus shares to the outstanding options granted to the employees under the ESOP scheme. Securities premium of ₹ 343.93 million was utilised for issue of bonus share.

**b) Terms/rights attached to equity shares:**

The Company has single class of equity shares having a par value of ₹ 5 each. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sum presently payable has not been paid. Failure to pay any amount called up on shares may lead to forfeiture of shares.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) List of shareholders holding more than 5% shares of a class of shares in the Company**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number of shares | % of Holding | Number of shares | % of Holding |
| **Equity shares of ₹ 5 each fully paid-up (March 31, 2022: ₹ 5 each) held by:** | | | | |
| Medimatter Health Management Private Limited | 1,87,03,348 | 27.16% | 1,87,03,348 | 27.16% |
| Bessemer Health Capital LLC | 66,06,084 | 9.59% | 66,06,084 | 9.59% |
| IDFC Trustee Co. Ltd A/C IDFC Infrastructure Fund 3 A/C IDFC Private Equity Fund III | 1,49,10,452 | 21.65% | 1,49,10,452 | 21.65% |
| Bessemer India Capital Holdings II Limited | 2,47,31,608 | 35.92% | 2,47,31,608 | 35.92% |

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**d)** As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**e) Shares reserved for issue under employee stock option scheme**

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Number of options | Amount | Number of options | Amount |
| Outstandings options | 25,38,886 | 12.69 | 23,40,928 | 11.70 |

Refer note 28 for ESOP Scheme details.

**f)** The Company has not bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

**g)** Aggregate number of equity shares issued as bonus during the period of five years immediately preceeding the reporting date

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Equity shares allotted as fully paid bonus by capitalisation of securities premium | 6,87,84,850 | 6,87,84,850 |

**h) Details of equity shares (of ₹ 5 each fully paid up) held by promoters**

**As at March 31, 2023**

| Promoter name | No of shares at the beginning of the year | Change during the year | No of shares at the end of the year | % of total shares | % Change duiring the year |
|---|---|---|---|---|---|
| Dr Vikram Jit Singh Chhatwal | 25,39,092 | - | 25,39,092 | 3.69% | - |
| Medimatter Health Management Private Limited | 1,87,03,348 | - | 1,87,03,348 | 27.16% | - |
| Medimatter Health Management Private Limited jointly with Dr. Vikram Jit Singh Chhatwal | 5,37,080 | - | 5,37,080 | 0.78% | - |
| Bessemer India Capital Holdings II Limited | 2,47,31,608 | - | 2,47,31,608 | 35.92% | - |
| **Total** | **4,65,11,128** | **-** | **4,65,11,128** | **67.55%** | **-** |

**As at March 31, 2022**

| Promoter name | No of shares at the beginning of the year | Change during the year* | No of shares at the end of the year | % of total shares | % Change duiring the year |
|---|---|---|---|---|---|
| Dr Vikram Jit Singh Chhatwal | 1,371 | 25,37,721 | 25,39,092 | 3.69% | - |
| Medimatter Health Management Private Limited | 10,099 | 1,86,93,249 | 1,87,03,348 | 27.16% | - |
| Medimatter Health Management Private Limited jointly with Dr. Vikram Jit Singh Chhatwal | 290 | 5,36,790 | 5,37,080 | 0.78% | - |
| Bessemer India Capital Holdings II Limited | 13,354 | 2,47,18,254 | 2,47,31,608 | 35.92% | - |
| **Total** | **25,114** | **4,64,86,014** | **4,65,11,128** | **67.55%** | **-** |

* 'Pursuant to a resolution passed by the Shareholders on 7 April 2021 and subsequent allotment on 9 April 2021, the Company has sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each. Further, the Company has allotted equity shares of face value of ₹ 5 each by way of bonus issue to its shareholders.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 14 Other equity

| Particulars | Notes | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **Employee stock option reserve** | | | |
| Balance at the beginning of the year | | 78.79 | 55.75 |
| Employee stock option compensation expense | | 21.12 | 14.99 |
| Transfer to Employee stock option reserve | | 11.68 | 8.05 |
| Transfer on account of forfeiture of ESOP options | | (0.38) | - |
| **Balance at the end of the year** | **(i)** | **111.21** | **78.79** |
| **Securities premium** | | | |
| Balance at the beginning of the year | | 745.86 | 1,089.79 |
| Utilisation of securities premium on issue of bonus shares | | - | (343.93) |
| **Balance at the end of the year** | **(ii)** | **745.86** | **745.86** |
| **General reserve** | | | |
| Balance at the beginning of the year | | 1.36 | 1.36 |
| **Balance at the end of the year** | **(iii)** | **1.36** | **1.36** |
| **Demerger deficit balance** | | | |
| Balance at the beginning of the year | | (370.18) | (370.18) |
| Movement during the year | | - | - |
| **Balance at the end of the year** | **(iv)** | **(370.18)** | **(370.18)** |
| **Other equity** | | | |
| Balance at the beginning of the year | | 369.85 | 369.85 |
| Movement during the year | | - | - |
| **Balance at the end of the year** | **(v)** | **369.85** | **369.85** |
| **Retained earnings** | | | |
| Balance at the beginning of the year | | 560.57 | 549.28 |
| Total comprehensive income for the year | | 165.34 | 183.44 |
| Dividend paid* | | (130.14) | (172.15) |
| Transfer on account of cancellation of ESOP option | | 0.38 | - |
| **Balance at the end of the year** | **(vi)** | **596.15** | **560.57** |
| **Equity instruments throgh OCI** | | | |
| Balance at the beginning of the year | | (59.32) | (54.60) |
| Movement during the year | | (61.19) | (4.72) |
| **Balance at the end of the year** | **(vii)** | **(120.51)** | **(59.32)** |
| **Total** | | **1,333.74** | **1,326.93** |

***Details of dividend proposed and paid during the year**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended March 31, 2022: INR 1.89 per share (March 31, 2021: INR 2.50 per share) @ | 130.14 | 172.15 |
| | **130.14** | **172.15** |
| **Proposed dividends on Equity shares*:** | | |
| Proposed dividend for the year ended March 31, 2023: INR 1.89 per share (March 31, 2022: INR 1.89 per share) # | 130.14 | 130.14 |
| | **130.14** | **130.14** |

*Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 14 Other equity (Contd..)

@ During the F.Y. 22-23, the Company has paid final dividend of F.Y. 21-22 at the rate of 37.80% [i.e. ₹ 1.89/- (Rupees One rupee and paise eighty nine only)] per Equity Share of face value of ₹ 5/- (Rupees Five Only).

During the F.Y. 21-22, the Company has paid final dividend of F.Y. 20-21 at the rate of 50.00% [i.e. ₹ 2.50/- (Rupees Two rupee and paise fifty only)] per Equity Share of face value of ₹ 5/- (Rupees Five Only).

#On 21 July 2023, the Company has proposed final dividend for the F.Y. 22-23 in its Board of Directors Meeting at the rate of 37.80% [i.e. ₹ 1.89/- (Rupees One rupee and paise eighty nine only)] per Equity Share of face value of ₹ 5/- (Rupees Five Only).

On 23 September 2022, the Company has proposed final dividend for the F.Y. 21-22 in its Board of Directors Meeting of the Shareholder at the rate of 37.80% [i.e. ₹ 1.89/- (Rupees One rupee and paise eighty nine only)] per Equity Share of face value of ₹ 5/- (Rupees Five Only).

**S.N Nature and purpose of reserves**

**(i) Employee stock option reserve**

The employee stock option outstanding account is used to recognise grant date fair value of the options issued to the employees under the Company's stock option plan. For further details. Refer note 28 for employee stock option scheme details.

**(ii) Securities premium**

Securities premium is used to record premium received on issue of shares. The reserve is utilized in accordance with the provision of Companies Act, 2013.

**(iii) General reserve**

The balance in general reserve has arisen on account of transfer of debenture redemption reserve.

**(iv) Demerger deficit balance**

The reserve arising on account of demerger of consumer health business division during 2019-20 as per Sections 230 to 232 and Section 66 of the Companies Act, 2013.

**(v) Other equity**

Preference shares and debentures were initially recognised as financial liability in accordance with the nature of the instrument at fair value. The difference between fair value and transaction price was accounted under other equity.

**(vi) Retained earnings**

Retained earnings are the profits that the Company has earned till date less dividends or other distributions to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to standalone statement of profit and loss. Retained earnings is a free reserve available to the Company.

**(vii) Equity instruments throgh OCI**

The Company has elected to recognise the changes in fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within equity instruments through OCI within equity. The Company transfers amount to retained earnings when the relevant equity securities are de-recognised.

## Non-current financial liabilities

## 15 Provisions (non-current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Provision for employee benefits:** | | |
| Gratuity (refer note 27) | 8.48 | 9.06 |
| **Total** | **8.48** | **9.06** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 16 (a) Trade payables

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (refer note 37) | 0.60 | 0.96 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 91.01 | 44.36 |
| **Total** | **91.61** | **45.32** |

**Trade payables ageing:**

**As at March 31, 2023**

| Particulars | Unbilled | Not due | Outstanding for following period from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro and small enterprises | 0.04 | - | 0.56 | - | - | - | 0.60 |
| Total outstanding dues of creditors other than micro and small enterprises | 80.81 | - | 9.98 | - | 0.11 | 0.11 | 91.01 |
| Disputed dues of micro and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - | - | - |
| **Total** | **80.85** | **-** | **10.54** | **-** | **0.11** | **0.11** | **91.61** |

**As at March 31, 2022**

| Particulars | Unbilled | Not due | Outstanding for following period from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro and small enterprises | 0.18 | 0.14 | 0.64 | - | - | - | 0.96 |
| Total outstanding dues of creditors other than micro and small enterprises | 39.54 | 2.23 | 2.36 | 0.12 | 0.11 | - | 44.36 |
| Disputed dues of micro and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro and small enterprises | | - | - | - | - | - | - |
| **Total** | **39.72** | **2.37** | **3.00** | **0.12** | **0.11** | **-** | **45.32** |

Trade payables (other than outstanding dues of micro and small enterprises) are non interest bearing and are usually settled within 50 - 55 days

* Refer note 36 for trade payables to related parties and refer note 29 for disclosure relating to fair values and financial risk management.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 16 (b) Other financial liabilities (current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Employee benefits payable | 32.41 | 24.86 |
| Creditors for capital goods | 26.93 | 35.73 |
| Other payables* | 85.90 | 63.50 |
| **Total** | **145.24** | **124.09** |

* Refer note 36 for payables to related parties and refer note 29 for disclosure relating to fair values and financial risk management.

## 17 Other current liabilities

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Statutory liabilities payable* | 19.36 | 49.48 |
| **Total** | **19.36** | **49.48** |

*Includes statutory dues with respect to GST, withholding taxes, provident fund etc.

## 18 Provisions (current)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Provision for employee benefits:** | | |
| Gratuity (refer note 27) | 4.12 | 4.12 |
| Employee compensated absences | 0.28 | 0.50 |
| **Total** | **4.40** | **4.62** |

## 19 Revenue from contracts with customers

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| Software subscription | 557.15 | 462.14 |
| Income from health management services | 21.74 | 43.99 |
| Income from license fee | 33.40 | 0.44 |
| Other operating revenues: | | |
| Business support services | 25.59 | 39.91 |
| **Total** | **637.88** | **546.48** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023
*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 19 Revenue from contracts with customers (Contd..)

### (A) Disaggregated revenue information

In the following table, revenues from contracts with customers is disaggregated by major service lines and timing of transfer of goods and services. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of their revenues and cashflows are effected by industry, market and other economic factors.

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Major products/ service lines** | | |
| Software subscription | 557.15 | 462.14 |
| Income from health management services | 21.74 | 43.99 |
| Business support services | 25.59 | 39.91 |
| Income from license fee | 33.40 | 0.44 |
| **Total** | **637.88** | **546.48** |
| **Timing of transfer of goods and services** | | |
| Services rendered over period of time | 616.14 | 502.49 |
| Services rendered at a point in time | 21.74 | 43.99 |
| **Total** | **637.88** | **546.48** |

### (B) Contract balances

**(i) The following table provides information about receivables, contract assets and contract liabilities from contract with customers.**

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| Trade receivables | 11 (b) | 128.10 | 357.59 |
| Contract liabilities | | 1.19 | - |

The contract liabilities primarily relate to billings in excess of revenues. The billing schedules agreed with customers could include periodic performance-based payments. Invoices are payable within contractually agreed credit period.

**(ii) Significant changes in the contract liabilities balances during the year are as follows:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Movement in contract liabilities:** | | |
| Opening balance | - | 5.88 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | - | (5.88) |
| Increase due to invoicing during the year (excluding amounts recognised as revenue) | 1.19 | - |
| **Closing balance** | **1.19** | **-** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 19 Revenue from contracts with customers (Contd..)

**(C) Transaction price allocated to remaining performance obligations**

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Within 1 year | 1.19 | - |
| **Total** | **1.19** | **-** |

## 20 Other income

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Other non-operating income** | | |
| Interest income under the effective interest method on: | | |
| Term deposits at amortised costs | 2.19 | 2.26 |
| Financial assets at amortised cost | - | 0.95 |
| Interest on income tax refund | 1.00 | - |
| Net gain on financial assets measured at fair value through profit and loss | 3.91 | 13.49 |
| Profit on sale of investments in mutual funds | 7.05 | 6.71 |
| Profit on sale of platform business* | - | 69.70 |
| Creditors/ provisions no longer required written back | 0.04 | 6.08 |
| Dividend income from a subsidiary company | 200.00 | - |
| Miscellaneous income | 2.94 | 9.79 |
| **Total** | **217.13** | **108.98** |

* On December 7, 2020, the Board of Directors of the Group granted in-principle approval for sale of IHX platform (included under other intangible assets) and consequently, pursuant to the requirements of Ind AS 105 - Non Current Assets held for Sale and Discontinued Operations, the Holding Company has classified the assets as at March 31, 2021 as Non-current assets classified as held for sale which was sold off during the year ended March 31, 2022.

## 21 Employee benefits expense

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Salaries, bonus and allowances | 164.26 | 129.10 |
| Contribution to provident and other funds (refer note 27) | 1.71 | 2.31 |
| Gratuity (refer note 27) | 2.13 | 2.40 |
| Employee stock option compensation expense (refer note 28) | 21.12 | 14.99 |
| Staff welfare expenses | 7.18 | 2.82 |
| **Total** | **196.40** | **151.62** |

## 22 Finance costs

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Interest expense on lease liabilities (refer note 5b) | 3.18 | 4.59 |
| Interest expense on income tax | 0.14 | - |
| **Total** | **3.32** | **4.59** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 23 Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Depreciation on property, plant and equipment (refer note 4) | 17.13 | 31.05 |
| Amortisation of right-of-use assets (refer note 5(a)) | 10.62 | 11.38 |
| Amortisation of intangible assets (refer note 6) | 29.27 | 42.23 |
| **Total** | **57.02** | **84.66** |

## 24 Other expenses

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Advertisement and business promotion | 185.58 | 72.62 |
| Legal and professional | 31.62 | 30.00 |
| Repair and maintenance - others | 72.00 | 62.50 |
| Software subscription charges | 37.03 | 30.01 |
| Subcontracting expenses | 15.72 | 8.47 |
| Provision for doubtful advances and other receivables | 11.30 | - |
| Travelling and conveyance | 11.26 | 3.00 |
| Director sitting fees | 8.45 | 6.98 |
| Housekeeping charges | 4.65 | 1.45 |
| Corporate social responsibility (refer note 34) | 4.30 | 4.00 |
| Insurance | 4.10 | 3.99 |
| Auditors' remuneration* | 4.39 | 4.16 |
| Claims disallowed | 3.73 | - |
| Fair value loss on derivatives measured through FVTPL | 3.05 | - |
| Security expenses | 2.06 | 2.32 |
| Power and fuel charges | 1.51 | 3.08 |
| Rent** | 1.27 | 8.60 |
| Postage and communication | 1.18 | 2.40 |
| Rates and taxes | 1.08 | 0.47 |
| Printing and stationery | 0.11 | 0.22 |
| Allowance for expected credit losses on trade receivables & other receivable | 0.33 | 7.04 |
| Bad debts written off | 1.30 | 27.25 |
| Less: Utilisation of provision | - | (27.25) |
| Loss on modification of lease contract | - | 5.67 |
| Loss on disposal of property, plant and equipment (net) | 0.22 | - |
| Miscellaneous expenses | 2.42 | 3.02 |
| **Total** | **408.66** | **260.00** |

* Auditors' remuneration (excluding goods and services tax)#

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| As auditor: | | |
| Audit fees | 4.39 | 4.16 |
| **Total** | **4.39** | **4.16** |

# Excluding an amount of ₹ 21.00 million (March 31, 2022: ₹ Nil) provided towards Initial Public Offer services recoverable from selling shareholders.

** Represents lease rentals for short term leases and leases of low-value assets.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 25 Contingent liabilities and commitments

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Contingent liabilities:** | | |
| Bonus as per The Payment of Bonus (Amendment) Act, 2015 for the period from 1 April 2014 to 31 March 2015 (refer note a) | 0.44 | 0.44 |
| Disallowance of employee stock option expenses and disallowance under section 14A for assessment year 2017-18 | 3.74 | 3.74 |
| Disallowance of employee stock option expenses and disallowance under section 14A for assessment year 2018-19 | 12.76 | 12.76 |
| Disallowance of employee stock option expenses for assessment year 2020-21 | 0.28 | - |
| Employee provident fund (refer note b) | - | - |
| **Commitments:** | | |
| Estimated amount of contracts, remaining to be executed on capital account and not provided for - net of advances | 0.94 | 15.56 |

Also refer note 7(c) for details of put and call options relating to non- controlling interests in Mayfair We Care Ltd.

(a) The Payment of Bonus (Amendment) Act, 2015 was notified by the Government of India with retrospective effect from 1 April 2014. The Hon'ble High Court of Karnataka based on the writ petition no 5272/2016 and 5311/ 2016, has vide its order dated 2 February 2016, stayed the operation of the said notification for the FY 2014-15. The obligation to pay the bonus for the FY 2014-15 will arise only if the High Court disposes off the writ petition in favour of the Government. Hence, the management has taken a view and an amount of ₹ 0.44 million which is the approximate statutory bonus liability for the eligible employees in respect of FY 2014-15, has been considered as contingent liability.

(b) In light of the judgment of Honorable Supreme Court dated 28 February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

(c) In respect of the contingent liabilities set out above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any.

## 26 Earnings per share ("EPS")

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Profit attributable to equity shareholders** | | |
| Net profit for the year attributable to the equity share holders (a) | 165.93 | 184.97 |
| Weighted average number of equity shares outstanding for basic EPS (b)* | 6,88,59,212 | 6,88,59,212 |
| Weighted average number of equity shares outstanding for diluted EPS (c)** | 6,95,39,351 | 6,94,12,258 |
| Basic earnings per share of ₹ 5 each [a/b] | 2.41 | 2.69 |
| Diluted earnings per share of ₹ 5 each [a/c] | 2.39 | 2.66 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 26 Earnings per share ("EPS") (Contd..)

*** Computation of weighted average number of equity shares used in calculating basic earnings per share is set out below:**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Opening balance | 6,88,59,212 | 37,181 |
| Capitalisation due to share split from paid-up capital of ₹ 10 per equity share to ₹ 5 per equity share (refer note 1 below) | - | 37,181 |
| Capitalisation of bonus shares issued (925 bonus shares issued per equity share) (refer note 1 below) | - | 6,87,84,850 |
| Weighted average number of equity shares | **6,88,59,212** | **6,88,59,212** |

1. Pursuant to a resolution passed by the Shareholders on 7 April 2021 and subsequent allotment on 9 April 2021, the Company has sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each. Further, the Company has allotted 68,784,850 equity shares of face value of ₹ 5 each by way of bonus issue to its shareholders and consequently the paid-up share capital of the Company has been increased to 68,859,212 equity shares of face value of ₹ 5 each. Further the Board has also authorised for appropriate adjustments of share split and bonus shares to the outstanding options granted to the employees under the ESOP scheme.

**** Computation of weighted average number of equity shares used in calculating diluted earnings per share is set out below:**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Weighted average number of equity shares outstanding during the period for calculating basic EPS | 6,88,59,212 | 6,88,59,212 |
| Effect of dilutive potential equity shares: | | |
| Employee stock options | 6,80,139 | 5,53,046 |
| Weighted average number of equity shares | **6,95,39,351** | **6,94,12,258** |

In computing dilutive earnings per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

## 27 Employee benefits

The Company contributes to the following employee benifits plans.

**a) Defined contribution plans:**

The contributions paid/ payable to employee provident fund, employees state insurance scheme, employees pension schemes and other funds, are determined under the relevant approved schemes and / or statutes and are recognised as expense in the statement of profit and loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/ appropriate authorities. The amount recognised as an expense towards contribution to defined contribution plans for the Company for the period aggregated to ₹ 1.71 million (March 31, 2022: ₹ 2.31 million).

**b) Defined benefit plans:**

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. The plan entitles an employee who has rendered at least five years of continuous service to receive 15 days salary for every completed year of service or part thereof in excess of six months based on the rate of last drawn salary (basic plus dearness allowance) by the employee concerned. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial gains/ (losses) are recognised under other comprehensive income in the Statement of Profit and Loss.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 27 Employee benefits (Contd..)

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Defined benefit obligation | 13.37 | 13.49 |
| Less: Fair value of plan assets | (0.77) | (0.31) |
| **Net defined benefit obligation** | **12.60** | **13.18** |
| Current liabilities | 4.12 | 4.12 |
| Non-current liabilities | 8.48 | 9.06 |

### i Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

**Reconciliation of present value of defined benefit obligation**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Balance at the beginning of the year** | 13.49 | 20.18 |
| Benefits paid | (3.08) | (1.41) |
| Current service cost | 1.50 | 1.95 |
| Interest cost | 0.66 | 0.47 |
| Effect of divestiture/ transfers | - | (1.26) |
| Transfer (Out) / In | - | (8.46) |
| **Actuarial (gains)/ losses recognised in other comprehensive income** | | |
| Changes in financial assumptions | (0.80) | (0.12) |
| Experience adjustment | 1.60 | 2.14 |
| **Balance at the end of the year** | **13.37** | **13.49** |

**Reconciliation of present value of plan assets**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Balance at the beginning of the year** | (0.31) | (1.22) |
| Contributions paid by the employer | (3.50) | (0.50) |
| Benefits paid | 3.08 | 1.41 |
| Interest income | (0.03) | (0.02) |
| **Return on plan assets recognised in other comprehensive income** | | |
| Experience adjustment | (0.01) | 0.02 |
| **Balance at the end of the year** | **(0.77)** | **(0.31)** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 27 Employee benefits (Contd..)

**Expense recognised in the standalone statement of profit and loss**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Current service cost | 1.50 | 1.95 |
| Interest cost | 0.66 | 0.47 |
| Interest income | (0.03) | (0.02) |
| **Total** | **2.13** | **2.40** |

**Expense recognised in other comprehensive income**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Changes in financial assumptions | (0.80) | (0.12) |
| Experience adjustment | 1.59 | 2.16 |
| **Total** | **0.79** | **2.04** |

### ii. Plan assets

Plan assets comprise the following:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Managed by - Life Insurance Corporation (LIC) and Reliance Nippon Life Insurance | 0.77 | 0.31 |
| **Total** | **0.77** | **0.31** |

The 100% of the plan assets invested with insurance company is non-unit linked.

The Company expects to pay ₹ 4.12 million (₹ 5.00 million in financial year March 31, 2022) in its contribution to defined benefit plan in the next financial year.

### iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Discount rate | 7.10% | 4.90% |
| Expected return | 4.90% | 4.50% |
| Future salary growth | 8% | 8% |
| Rate of employee turnover | 37% | 37% |
| Mortality | IALM 2012-14 Ult | IALM 2012-14 Ult |
| Weighted average duration | 2 years | 2 years |

Assumptions regarding future mortality have been based on published statistics and mortality tables

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 27 Employee benefits (Contd..)

### iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (0.26) | 0.27 | (0.36) | 0.33 |
| Future salary growth (1% movement) | 0.27 | (0.26) | 0.32 | (0.35) |
| Rate of employee turnover (1% movement) | (0.03) | 0.03 | (0.05) | 0.05 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### v. Expected future cash flows

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Discounted | Undiscounted | Discounted | Undiscounted |
| 1st Following year | 5.58 | 5.78 | 5.34 | 5.47 |
| 2nd Following year | 3.81 | 4.22 | 4.37 | 4.70 |
| 3rd Following year | 2.87 | 3.40 | 2.20 | 2.47 |
| 4th Following year | 2.13 | 2.71 | 1.52 | 1.80 |
| 5th Following year | 1.59 | 2.17 | 1.01 | 1.25 |
| Thereafter | 5.38 | 8.49 | 3.36 | 4.74 |

### vi. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Company is exposed to various risks as follows -

a) Salary increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment risk- If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount rate- Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality- Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) Withdrawals- Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability."

## 28 Employee share based payment

**28 (a) 2013 plan**

The Company has introduced Employee Stock Option Scheme 2013 (" ESOS 2013") with effect from October 1, 2013 to enable the employees of the Company to participate in the future growth and success of the Company. ESOS 2013 is operated at the discretion of the Board of directors.

These options which confer a right but not an obligation on the employee to apply for equity shares of the Company once the terms and conditions set forth in the ESOS 2013 and the option agreement have been met. Vesting of options would be subject to continued employment with the Company and meeting the requisite performance parameters.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 28 Employee share based payment (Contd..)

The Company had the below share based payment arrangement under ESOS 2013.

| Particulars | Date of grants | Number of options granted | Exercise price (in ₹) |
|---|---|---|---|
| Grant I | 01-Oct-13 | 108 | 66,603 |
| Grant II | 01-Sep-15 | 254 | 4,07,275 |
| Grant III | 05-Sep-18 | 29 | 3,39,213 |
| Grant IV | 01-Jul-21 | 13,01,956 | 256 |
| Grant V | 01-Jul-22 | 3,21,116 | 273 |

### Conditions

| | |
|---|---|
| Vesting condition | Continued employment with the Company and fulfillment of performance parameters |
| Exercise period | Exercise on listing / strategic sale |
| Method of settlement | Equity |

### Vesting schedule

| | Grant I | Grant II | Grant III | Grant IV | Grant V |
|---|---|---|---|---|---|
| At the end of one year | - | 50% | 100% | 10% | 10% |
| At the end of two year | 50% | 25% | - | 20% | 20% |
| At the end of three year | 25% | 25% | - | 30% | 30% |
| At the end of four year | 25% | - | - | 40% | 40% |

### Modification of Employee Stock Option Scheme

The Company had made capital restructuring by way of right issues to existing shareholder on March 21, 2017. In accordance with the ESOS 2013 scheme, non-discretionary anti-dilution provisions exists, resulting in terms of modification of the scheme, there by additional options have been given to option grantees by the Company. Due to existence of non-discretionary provision, this has not resulted in any incremental share based payment expense reason being the fair value of the options immediately before and after the rights issue were the same.

| Particulars | Grant I | Grant II |
|---|---|---|
| Revised exercise price of options on modification | 32,696 | 1,99,877 |
| Additional ESOS issued during the period from March 21, 2017 to March 31, 2017 | 112 | 265 |
| Revised ESOS in force at the time of modification | 220 | 519 |
| Revised ESOS in force as at March 31, 2023 | 106 | 519 |

### Reconciliation of outstanding employee stock options:

### For the year ended March 31, 2023

| Particulars | Shares arising out of options | Range of exercise prices in ₹ | Weighted average exercise price in ₹ | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at April 1, 2022 | 23,40,928 | 18 to 256 | 18 to 256 | 4.00 |
| Add: Options granted during the year | 3,21,116 | 273 | 273 | 4.00 |
| Less: Options forfeited during the year | 1,23,158 | 256 | 256 | - |
| **Options outstanding as at March 31, 2023** | **25,38,886** | **18 to 273** | **18 to 273** | **4.00** |
| **Exercisable options as at March 31, 2023** | **13,17,698** | **18 to 256** | **18 to 256** | **3.00** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 28 Employee share based payment (Contd..)

**For the year ended March 31, 2022**

| Particulars | Shares arising out of options | Range of exercise prices in ₹ | Weighted average exercise price in ₹ | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at April 1, 2021 | 12,11,208 | 18 to 183 | 18 to 183 | 2.75 |
| Add: Options granted during the year | 13,01,956 | 256 | 256 | 4.00 |
| Less: Options forfeited during the year | 1,72,236 | 256 | 256 | - |
| **Options outstanding as at March 31, 2022** | **23,40,928** | **18 to 256** | **18 to 256** | **4.00** |
| **Exercisable options as at March 31, 2022** | **12,11,208** | **18 to 183** | **18 to 183** | **3.00** |

### Valuation of stock option

Options have been valued based on fair value method as described under Ind AS 102 Share based payments, using Black Scholes valuation options pricing model, by using the fair value of the company's shares on the grant date.

| Particulars | Grant I | Grant II | Grant III | Grant IV | Grant V |
|---|---|---|---|---|---|
| Grant date | 01-Oct-13 | 01-Sep-15 | 05-Sep-19 | 01-Jul-21 | 01-Jul-22 |
| Share price in ₹ | 3,16,032.00 | 4,07,275.00 | 3,39,213.00 | 257.35 | 273.61 |
| Exercise price in ₹ | 66,603.00 | 4,07,275.00 | 3,39,213.00 | 256.00 | 273.00 |
| Expected volatility | 27.50% | 27.50% | 26.37% | 31.83% to 36.23% | 27.79% to 34.19% |
| Expected life | 5.42 | 4.50 | 2.57 | 4.00 | 4.00 |
| Dividend yield | 0.00% | 0.00% | 0.00% | 0.97% | 0.91% |
| Risk-free interest rate (based on government bonds) | 8.82% | 7.79% | 7.80% | 4.54% to 5.83% | 6.41% to 7.14% |
| Fair value in ₹ | 2,74,744.00 | 1,53,254.00 | 88,004.02 | 81.07 | 91.62 |

### Expenses summary of Employee share based payments

During the year, ₹ 21.12 million (March 31, 2022 : ₹ 14.99 million) has been recognised as an expense for the year.

Further an amount of ₹ 11.68 million (March 31, 2022: ₹ 8.05 million) has been debited to cost of investments in a subsidiary relating to ESOPs provided to employees of such subsidiary.

### 28 (b) Employee stock option scheme of a subsidiary (Medi Assist Insurance TPA Private Limited):

### Employee Stock Option Scheme 2012 ("ESOS 2012")

The subsidiary has introduced Employee Stock Option Scheme 2012 ("ESOS 2012") with effect from April 30, 2012 to enable the employees of the subsidiary company and the employees of the Parent to participate in the future growth and success of the subsidiary company ESOS 2012 is operated at the discretion of the subsidiary company's Board of directors.

The subsidiary company has granted 87,842 employee stock options on April 30, 2012, 17,333 employee stock options on April 30, 2013, 28,198 employee stock options on June 1, 2014, 6,374 employee stock options on June 1, 2015, 13,500 employee stock options on September 15, 2015, 29,000 employee stock options on July 15, 2016 and 45,394 employee stock options on July 1, 2017. These options which confer a right but not an obligation on the employee to apply for equity shares of the subsidiary company once the terms and conditions set forth in the ESOS 2012 and the option agreement have been met. Vesting of options would be subject to continued employment with the subsidary company/ Parent and meeting the requisite performance parameters.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 28 Employee share based payment (Contd..)

The subsidiary company had the below share based payment arrangement under ESOS 2012

| Particulars | Date of grants | Number of option granted | Exercise price |
|---|---|---|---|
| Grant I | 30-Apr-12 | 45,400 | 140 |
| Grant II | 30-Apr-12 | 40,124 | 140 |
| Grant III | 30-Apr-12 | 2,318 | 140 |
| Grant IV | 30-Apr-13 | 17,333 | 235 |
| Grant V | 01-Jun-14 | 28,198 | 966 |
| Grant VI | 01-Jun-15 | 6,374 | 1,244 |
| Grant VII | 15-Sep-15 | 13,500 | 1,244 |
| Grant VIII | 15-Jul-16 | 29,000 | 1,368 |
| Grant IX | 01-Jul-17 | 18,110 | 1,505 |
| Grant X | 01-Jul-17 | 15,405 | 1,505 |
| Grant XI | 01-Jul-17 | 7,434 | 1,505 |
| Grant XII | 01-Jul-17 | 4,445 | 1,505 |

### Conditions

| | |
|---|---|
| Vesting condition | Continued employment with the Subsidary company/ Parent and fulfillment of performance parameters |
| Exercise period | Exercise on listing / strategic sale |
| Method of settlement | Equity |

### Vesting schedule

| | Grant I | Grant II | Grant III | Grant IV, V, VI, VII, VIII and IX |
|---|---|---|---|---|
| At the end of 1 year | 15% | 33% | 100% | 15% |
| At the end of 2 year | 20% | 33% | - | 20% |
| At the end of 3 year | 30% | 34% | - | 30% |
| At the end of 4 year | 35% | - | - | 35% |

| | Grant X | Grant XI | Grant XII |
|---|---|---|---|
| At the end of 1 year | 35% | 65% | 100% |
| At the end of 2 year | 30% | 35% | - |
| At the end of 3 year | 35% | - | - |
| At the end of 4 year | - | - | - |

### Modification of Employee Stock Option Scheme

In the month of August 2018, the subsidiary company modified the ESOP vesting period, for all the ESOP grants by accelerating the vesting period. The fair value of the ESOP on the date of modification of the equity instrument and that of the original equity instrument estimated on the date of modification is detailed below as pre and post modification value. In accordance with the modification by accelerating the vesting period the amount of grant date fair value of the options was recognized as an expenses in the statement of profit and loss immediately. The fair value of the modified options was determined using the same models and principles as described above.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 28 Employee share based payment (Contd..)

### Modified Vesting schedule

| | Grant I | Grant II | Grant III | Grant IV, V, VI, VII, VIII and IX |
|---|---|---|---|---|
| Immediate | 100% | 100% | 100% | 100% |

| | Grant X | Grant XI | Grant XII |
|---|---|---|---|
| Immediate | 100% | 100% | 100% |

### Fair value of options Pre and Post modification:

| Particulars | Date of grants | Fair Value Pre Modification | Fair Value Post Modification |
|---|---|---|---|
| Grant I | 30-Apr-12 | 2,160 | 2,139 |
| Grant II | 30-Apr-12 | 2,160 | 2,139 |
| Grant III | 30-Apr-12 | 2,160 | 2,139 |
| Grant IV | 30-Apr-13 | 2,085 | 2,049 |
| Grant V | 01-Jun-14 | 1,512 | 1,363 |
| Grant VI | 01-Jun-15 | 1,295 | 1,103 |
| Grant VII | 15-Sep-15 | 1,296 | 1,103 |
| Grant VIII | 15-Jul-16 | 1,224 | 986 |
| Grant IX | 01-Jul-17 | 1,174 | 858 |
| Grant X | 01-Jul-17 | 1,123 | 858 |
| Grant XI | 01-Jul-17 | 1,096 | 858 |
| Grant XII | 01-Jul-17 | 1,096 | 858 |

Fair market value as on the date of modification ₹ 2,270 per share.

### For the year ended March 31, 2023

| Particulars | Shares arising out of options | Range of exercise prices (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at April 1, 2022 | 86,257 | 140 - 1,505 | 709 | 1.00 |
| Add: Options granted during the year | - | - | - | - |
| Less: Options settled during the year (refer note 28(c)) | 86,257 | 140 - 1505 | 709 | 1.00 |
| **Options outstanding as at March 31, 2023** | **-** | **-** | **-** | **-** |
| **Exercisable as at March 31, 2023** | **-** | **-** | **-** | **-** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 28 Employee share based payment (Contd..)

**For the year ended March 31, 2022**

| Particulars | Shares arising out of options | Range of exercise prices (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at April 1, 2021 | 86,257 | 140 - 1,505 | 709 | 1.00 |
| Add: Options granted during the year | - | - | - | - |
| Less: Options settled during the year | - | - | - | - |
| **Options outstanding as at March 31, 2022** | **86,257** | **140 - 1,505** | **709** | **1.00** |
| **Exercisable as at March 31, 2022** | **86,257** | **140 - 1,505** | **709** | **1.00** |

### 28 (c) Settlement of employee stock options - ESOS 2012*

During the financial year 2022-23, the subsidiary company's Board has passed a resolution to terminate the ESOS 2012 scheme and settle the option-holders with cash equivalent to the fair value of equity shares of the subsidiary company as at the date of termination. The subsidiary company has obtained required approvals from the existing option-holders. Based on the fair value carried by an independent valuer, the fair value has been determined at ₹ 2,330 as on the date of settlement. The subsidiary company has created a liability towards the amounts payable to these option-holders, which is the difference between fair value as on the date of cancellation and exercise price.

Assumptions used to arrive at the fair value of ₹ 2,330 per share

| Particulars | Remarks |
|---|---|
| Discount rate | 18.13% |
| Risk-free interest rate (based on government bonds) | 7.40% |

## 29 Financial instruments – Fair values and risk management

**A. Accounting classification and fair values**

| Particulars | As at March 31, 2023 | | | | As at March 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Carrying amount | | | |
| | FVTPL* | FVOCI** | Amortised cost | Total | FVTPL* | FVOCI** | Amortised cost | Total |
| **Financial assets** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Investments | - | 12.66 | - | 12.66 | - | 69.39 | - | 69.39 |
| Derivative assets | 12.17 | - | - | 12.17 | - | - | - | - |
| Other financial assets | - | - | 32.84 | 32.84 | - | - | 33.68 | 33.68 |
| **Current** | | | | | | | | |
| Investments | 146.50 | - | - | 146.50 | 381.01 | - | - | 381.01 |
| Trade receivables | - | - | 128.10 | 128.10 | - | - | 357.59 | 357.59 |
| Cash and cash equivalents | - | - | 197.24 | 197.24 | - | - | 34.27 | 34.27 |
| Bank balances other than cash and cash equivalents above | - | - | 47.67 | 47.67 | - | - | 24.48 | 24.48 |
| Other financial assets | - | - | 199.34 | 199.34 | - | - | 153.64 | 153.64 |
| **Total** | **158.67** | **12.66** | **605.19** | **776.52** | **381.01** | **69.39** | **603.66** | **1,054.06** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 29 Financial instruments – Fair values and risk management (Contd..)

| Particulars | As at March 31, 2023 | | | | As at March 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Carrying amount | | | |
| | FVTPL* | FVOCI** | Amortised cost | Total | FVTPL* | FVOCI** | Amortised cost | Total |
| **Financial liabilities** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Lease liabilities | - | - | 9.39 | 9.39 | - | - | 28.39 | 28.39 |
| **Current** | | | | | | | | |
| Lease liabilities | - | - | 19.00 | 19.00 | - | - | 17.42 | 17.42 |
| Trade payables | - | - | 91.61 | 91.61 | - | - | 45.32 | 45.32 |
| Other financial liabilities | - | - | 145.24 | 145.24 | - | - | 124.09 | 124.09 |
| **Total** | **-** | **-** | **265.24** | **265.24** | **-** | **-** | **215.22** | **215.22** |

* FVTPL - fair value through profit and loss

** FVOCI - fair value through other comprehensive income

### B. Fair value hierarchy

| Particulars | As at March 31, 2023 | | | | As at March 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value# | | | | Fair value# | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Investments | 12.16 | - | 0.50 | 12.66 | 13.96 | - | 55.43 | 69.39 |
| Derivative assets | - | - | 12.17 | 12.17 | - | - | - | - |
| | **12.16** | **-** | **12.67** | **24.83** | **13.96** | **-** | **55.43** | **69.39** |
| **Current** | | | | | | | | |
| Investments | 146.50 | - | - | 146.50 | 381.01 | - | - | 381.01 |
| | **146.50** | **-** | **-** | **146.50** | **381.01** | **-** | **-** | **381.01** |

There has been no transfer between levels during the current year or the previous year.

# The management assessed that other current financial assets (loans to employees, security deposits, etc.), cash and cash equivalents, bank balances, trade receivables, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

a) The fair values of the mutual funds are based on NAV at the reporting date

b) The fair value of equity shares invested in "The New India Assurance Company Limited" is as per the closing market price at the reporting date

c) The Company had investement in equity shares of Healthvista India Private Limited which were measured at fair value through other comprehensive income. During the financial year 2022-23, management carried out the assessment on the performance of Healthvista India Private Limited and have accordingly made 100% fair value changes of the said amount.

d) The fair value of derivative asset (options) was measured using monte-carlo simulation to capture the present value of the expected future value of the derivative.

e) All other financial assets except mutual funds and financial liabilities are recognised at amortised cost. Hence, there are no financial assets/ liabilities classified under Level 2 and Level 3.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 29 Financial instruments – Fair values and risk management (Contd..)

**B. Measurement of fair values**

**Reconciliation of fair value measurement of non-current investments being classified as FVOCI (Level 3):**

| Particulars | Investment in financial assets |
|---|---|
| **Opening balance as on April 1, 2021** | 55.43 |
| Fair value movement recognised in other comprehensive income | - |
| **Closing balance as on March 31, 2022** | **55.43** |
| **Opening balance as on April 1, 2022** | 55.43 |
| Fair value movement recognised in other comprehensive income | (54.93) |
| **Closing balance as on March 31, 2023** | **0.50** |

**Reconciliation of fair value measurement of derivatives being classified as FVTPL (Level 3):**

| Particulars | Derivative contracts |
|---|---|
| **Opening balance as on 1 April 2021** | - |
| Addition during the year | - |
| **Closing balance as on 31 March 2022** | **-** |
| **Opening balance as on 1 April 2022** | - |
| Addition during the year | 15.22 |
| Fair value changes during the year (refer note 24) | (3.05) |
| **Closing balance as on 31 March 2023 [refer note 7(b)]** | **12.17** |

**Description of valuation techinique and significant unobservable inputs to valuation:**

| Name of financial asset | Valuation technique | Significant unobservable inputs |
|---|---|---|
| Investment in unquoted equity shares | Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Company arising from the investments in financial assets. | Long term growth rate<br>Discount rate<br>Revenue multiple |

**Description of valuation techinique and significant unobservable inputs to valuation of derivative (options):**

| Name of financial asset | Valuation technique | Significant unobservable inputs |
|---|---|---|
| Derivative (options) | Monte-carlo simulation method was used to capture the present value of the expected future value of derivative. | Discount factor for credit risk - 1.50%<br>Discount factor for time value - 3.20%<br>Estimated revenue |

A one percentage change in the unobservable inputs used in the fair valuation of level 3 assets does not have a significant impact in the fair value of the financial instrument.

**C. Financial risk management**

**Risk management framework**

The Company's management has overall responsibility for the establishment and oversight of the risk management framework.

The Company's management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the management.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 29 Financial instruments – Fair values and risk management (Contd..)

The Company's principal financial liabilities comprise of leases, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, cash and cash equivalents, other bank balances and security deposits that are out of regular business operations.

**The Company has exposure to the following risks arising from financial instruments:**

- Market risk;
- Credit risk; and
- Liquidity risk

### (i) Market risk

Market risk is the risk that changes in market prices - such as interest rates, equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

**Foreign currency risk**

The Company primarily renders services and avails goods and services in domestic currencies and hence exposure to currency risk is minimal.

The exposure to foreign currency risk at the end of the reporting year expressed in ₹, are as follows:

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|---|---|---|---|---|
| | Currency | In millions | Currency | In millions |
| **Financial assets** | | | | |
| Derivative assets | GBP | 12.17 | - | - |

**Equity price risk**

The Company's investment in listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about the future value of investment in these securities. The Company manages these price risks through strategic investments and placing limits on individual investments. The investments reports are submitted to the senior management and the Board reviews and approves these investment decisions.

**Exposure in mutual funds**

The Company manages the surplus funds majorly through investments in mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments. The investments reports are submitted to the senior management and the Board reviews and approves these investment decisions.

**Interest rate risk**

The Company has no borrowings and there is no significant exposure to interest rate risk.

### (ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of following financial assets represents the maximum credit exposure:

a. Trade receivables

b. Unbilled receivables

c. Cash and bank balances

d. Other receivables

e. Other financial assets

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 29 Financial instruments – Fair values and risk management (Contd..)

**Trade receivables and unbilled receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables and unbilled receivables.

The maximum exposure to credit risk for trade receivables and unbilled receivables was as follows:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Trade receivables | 136.71 | 337.71 |
| Unbilled receivables | 3.00 | 31.16 |
| | **139.71** | **368.87** |

Refer note 11(b) for movement in the allowance for expected credit losses in respect of trade receivables and unbilled receivables during the year.

**Management assessment of recoverability of trade receivables and unbilled receivables**

Trade receivables and unbilled receivables forms a significant part of the financial assets carried at amortised cost. The Company has performed detailed customer wise specific assessment of recoverability of the trade receivables and unbilled receivables and has accordingly recognised the Impairment loss. Further, the Company is closely monitoring the developments across various business lines. Basis the aforesaid detailed assessment made by Management, provision made towards trade receivables and unbilled receivables is considered adequate.

**Cash and cash equivalents and other bank balances**

The cash and cash equivalents and other bank balances are held with banks and financial institutions counterparties with good credit rating.

**Other receivables**

These represents mainly security deposits given towards office premises taken on lease under contractual arrangement and earnest money deposits for participation in tender.

**Other financial assets**

The Company has performed detailed party wise specific assessment of recoverability of the other financial assets and has accordingly recognised the impairment loss. Further, the Company is closely monitoring the developments across various business lines. Basis the aforesaid detailed assessment made by management, provision made towards other financial assets is considered adequate.

### (iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 29 Financial instruments – Fair values and risk management (Contd..)

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

**As at March 31, 2023**

| Particulars | Carrying amount | Contractual cash flows | | | | Total |
|---|---|---|---|---|---|---|
| | | 0-12 months | 1-2 years | 2-5 years | More than 5 years | |
| Current, non-derivative financial liabilities | | | | | | |
| Trade payables | 91.61 | 91.61 | - | - | - | 91.61 |
| Other financial liabilities | 145.24 | 145.24 | - | - | - | 145.24 |
| **Total** | **236.85** | **236.85** | **-** | **-** | **-** | **236.85** |

**As at March 31, 2022**

| Particulars | Carrying amount | Contractual cash flows | | | | Total |
|---|---|---|---|---|---|---|
| | | 0-12 months | 1-2 years | 2-5 years | More than 5 years | |
| Current, non-derivative financial liabilities | | | | | | |
| Trade payables | 45.32 | 45.32 | - | - | - | 45.32 |
| Other financial liabilities | 124.09 | 124.09 | - | - | - | 124.09 |
| **Total** | **169.41** | **169.41** | **-** | **-** | **-** | **169.41** |

Refer note 5(b) regarding the contractual maturities of lease liabilites.

## 30 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with financing through borrowings and leasing. The Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

The Company's adjusted net debt to equity ratio were as follows.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Total borrowings (including lease liabilities) | 28.39 | 45.81 |
| Less : Cash and cash equivalents | (197.24) | (34.27) |
| **Adjusted net debt (restricted to Nil)** | **-** | **11.54** |
| **Total equity** | **1,678.04** | **1,671.23** |
| **Adjusted net debt to adjusted equity ratio** | **-** | **0.01** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 31 Income tax expense

**(a) Amounts recognised in profit and loss**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Current tax charge | 17.15 | 30.29 |
| Adjustment for current tax relating to earlier years | - | (38.99) |
| Deferred tax relating to origination and reversal of temporary differences | 6.53 | 4.43 |
| **Income tax expense reported in the profit or loss** | **23.68** | **(4.27)** |

**(b) Amounts recognised in other comprehensive income (OCI)**

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Before tax | Deferred tax | After tax | Before tax | Deferred tax | After tax |
| **Items that will not be reclassified subsequently to the statement of profit and loss** | | | | | | |
| Remeasurement of defined benefit plans | (0.79) | 0.20 | (0.59) | (2.04) | 0.51 | (1.53) |
| Fair value changes in equity instruments through OCI | (56.72) | (4.47) | (61.19) | (5.34) | 0.62 | (4.72) |
| | **(57.51)** | **(4.27)** | **(61.78)** | **(7.38)** | **1.13** | **(6.25)** |

**Reconciliation of income tax expense**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Accounting profit before tax for the year | 189.61 | 180.70 |
| Indian statutory income tax rate | 25.17% | 25.17% |
| Tax using Indian statutory income tax rate | 47.72 | 45.48 |
| **Tax effect of:** | | |
| Expenses not allowed for tax purpose | 1.12 | 3.30 |
| Tax expense of previous years | - | (38.99) |
| Tax effect on dividend | (32.75) | - |
| Demerger expenses | (0.26) | (0.26) |
| Employee stock option compensation expense | 5.32 | 3.77 |
| Others | 2.53 | (17.57) |
| **Income tax expense reported in the profit or loss** | **23.68** | **(4.27)** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 32 Movement in deferred taxes

**i. Movement in deferred tax balances for the year ended March 31, 2023**

| Particulars | Deferred tax (liabilities)/ assets as at April 1, 2022 | Recognised in profit and loss | Recognised in OCI | Deferred tax (liabilities)/ assets as at March 31, 2023 | Deferred tax assets | Deferred tax liabilities |
|---|---|---|---|---|---|---|
| Property plant and equipment and other intangible assets | 23.62 | (12.98) | - | 10.64 | 10.64 | - |
| Provision for employee benefits | 3.47 | (0.40) | 0.20 | 3.27 | 3.27 | - |
| Allowance for expected credit losses on trade receivables and other receivables | 3.54 | 2.60 | - | 6.14 | 6.14 | - |
| Security deposits | 0.14 | (0.14) | - | - | - | - |
| Other financial assets | 3.59 | 7.73 | (4.47) | 6.85 | 6.85 | - |
| Accrued expenses | 3.81 | 1.44 | - | 5.25 | 5.25 | - |
| Right of use assets | (6.59) | 2.67 | - | (3.92) | - | (3.92) |
| Lease liabilities | 11.54 | (4.39) | - | 7.15 | 7.15 | - |
| Derivative assets | - | (3.06) | - | (3.06) | - | (3.06) |
| **Total** | **43.12** | **(6.53)** | **(4.27)** | **32.32** | **39.30** | **(6.98)** |

**ii. Movement in deferred tax balances for the year ended March 31, 2022**

| Particulars | Deferred tax (liabilities)/ assets as at April 1, 2021 | Recognised in profit and loss | Recognised in OCI | Deferred tax (liabilities)/ assets as at March 31, 2022 | Deferred tax assets | Deferred tax liabilities |
|---|---|---|---|---|---|---|
| Property plant and equipment and other intangible assets | 18.22 | 5.40 | - | 23.62 | 23.62 | - |
| Provision for employee benefits | 5.05 | (2.09) | 0.51 | 3.47 | 3.47 | - |
| Allowance for expected credit losses on trade receivables and other receivables | 8.89 | (5.35) | - | 3.54 | 3.54 | - |
| Security deposits | 0.38 | (0.24) | - | 0.14 | 0.14 | - |
| Other financial assets | 8.05 | (5.08) | 0.62 | 3.59 | 3.59 | - |
| Accrued expenses | 1.51 | 2.30 | - | 3.81 | 3.81 | - |
| Right of use assets | (9.01) | 2.42 | - | (6.59) | - | (6.59) |
| Lease liabilities | 13.33 | (1.79) | - | 11.54 | 11.54 | - |
| **Total** | **46.42** | **(4.43)** | **1.13** | **43.12** | **49.71** | **(6.59)** |

(a) The Company offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities and relate to income taxes levied by the same tax authority.

(b) Significant management judgement is required in determining, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 33 Expenditure incurred in foreign currencies

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Fees for technical services | 8.77 | 2.86 |

## 34 Corporate Social Responsibility ("CSR")

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| (a) Amount required to be spent by the Company during the year | 4.30 | 4.00 |
| (b) Amount approved by the Board to be spent during the year | 4.30 | 4.00 |
| (c) Amount of expenditure incurred | 4.30 | 4.00 |
| (d) Shortfall at the end of the year | - | - |
| (e) Total of previous years shortfall | - | - |
| (f) Reason for shortfall | - | - |
| (g) Nature of CSR activities | The area for CSR activities is livelihood enhancement and employment enhancing vocational skills by way of providing training in a wide array of functional areas to persons at various locations of the Company across India. | The area for CSR activities is livelihood enhancement and employment enhancing vocational skills by way of providing training in a wide array of functional areas to persons at various locations of the Company across India. |

**Movement of CSR expense during 2022-23**

| Opening Balance | Amount required to be spent during the year | Amount spent during the year | Closing |
|---|---|---|---|
| - | 4.30 | (4.30) | - |

**Movement of CSR expense during 2021-22**

| Opening Balance | Amount required to be spent during the year | Amount spent during the year | Closing |
|---|---|---|---|
| - | 4.00 | (4.00) | - |

## 35 Segment reporting

(a) The Company is primarily engaged in the business of Health Benefits Administration and related services, The CODM reviews these activities under the context of Ind AS 108 Operating Segments as one single operating segment to evaluate the overall performance of the Company.

(b) Information about major customers (external customers):

(i) For the year ended March 31, 2023, revenue from contract with customers of one customer of the Company represented approximately 87% of the Company's revenue from contracts with customers.

(ii) For the year ended March 31, 2022, revenue from contract with customers of one customer of the Company represented approximately 85% of the Company's revenue from contracts with customers.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 36 Related party disclosures

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given below:

**(A) Names of the related parties and description of relationship**

| | |
|---|---|
| (i) Subsidiaries | Medi Assist Insurance TPA Private Limited ("MATPA")<br>International Healthcare Management Services Private Limited (w.e.f November 18, 2022)<br>Mayfair Consultancy Services India Private Limited (w.e.f November 18, 2022)<br>Mayfair We Care Limited ("MWCL") (w.e.f November 25, 2022) |
| (ii) Step down subsidiaries | Medvantage Insurance TPA Private Limited (formerly known as UnitedHealthcare Parekh Insurance TPA Private Limited) (w.e.f February 13, 2023) - Subsidiary of MATPA ("Medvantage")<br>Mayfair Group Holding Subcontinent Limited (w.e.f November 25, 2022) - Subsidiary of MWCL<br>Mayfair We Care Philippines Inc (w.e.f November 25, 2022) - Subsidiary of MWCL<br>Mayfair We Care Pte. Ltd. (w.e.f November 25, 2022) - Subsidiary of MWCL |
| (iii) Key Management Personnel | Dr. Vikram Jit Singh Chhatwal - Chairman cum Whole Time Director w.e f March 01, 2021<br>Satish Gidugu -Whole Time Director and CEO w.e.f March 01, 2021<br>Vishal Vijay Gupta- Director<br>Himani Atul Kapadia- Independent Director w.e.f March 15, 2021<br>Gaurav Sharma - Nominee Director<br>Gopalan Srinivasan - Independent Director w.e.f March 15, 2021<br>Anil Chanana - Independent Director w.e.f March 15, 2021<br>Dr. Ritu Niraj Anand - Independent Director w.e.f March 15, 2021<br>Ananda Mukerji - Independent Director w.e.f March 15, 2021<br>Mathew George - Chief Financial Officer w.e.f March 03, 2021<br>Megha Matoo - Chief Compliance Officer and Company Secretary (from March 05, 2021 up to February 17, 2023)<br>Simmi Bisht - Chief Compliance Officer and Company Secretary (w.e.f February 17, 2023) |
| (iii) Entity having significant influence | Medimatter Health Management Private Limited |
| (iv) Entities under the common control | Phasorz Technologies Private Limited<br>Mandala Wellness Private Limited ('MWPL') - (MWPL Merged with Phasorz Technologies Private Limited w.e.f April 1, 2022) |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 36 Related party disclosures (Contd..)

**(B) Summary of transactions with the above related parties are as follows :**

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Support service income from** | | |
| Phasorz Technologies Private Limited | 25.59 | 39.90 |
| MayFair We care limited | 0.28 | - |
| **Software subscription income from** | | |
| Medi Assist Insurance TPA Private Limited | 557.15 | 462.14 |
| **Reimbursement of charges from** | | |
| Medi Assist Insurance TPA Private Limited | | |
| Staff medical insurance | 19.76 | 17.74 |
| Phasorz Technologies Private Limited | | |
| Facilities and other expenses | 13.29 | 12.83 |
| Medvantage Insurance TPA Pvt Ltd | | |
| Claims reimbursment | 0.44 | - |
| **Reimbursement of expenses to** | | |
| Medi Assist Insurance TPA Private Limited | 25.14 | 21.49 |
| Phasorz Technologies Private Limited | | |
| Wellnsess Services | 103.88 | - |
| **Business promotion expense** | | |
| Phasorz Technologies Private Limited | 64.53 | 24.50 |
| **Dividend received** | | |
| Medi Assist Insurance TPA Private Limited | 200.00 | - |
| **Dividend paid** | | |
| Dr. Vikram Jit Singh Chhatwal | 4.80 | 6.35 |
| Medimatter Health Management Private Limited | 36.36 | 48.10 |
| **Transfer of CWIP from** | | |
| Medi Assist Insurance TPA Private Limited | 41.44 | 35.74 |
| **Reimbursement of expense to Director** | | |
| Dr. Vikram Jit Singh Chhatwal | 1.75 | 0.24 |
| **Transfer of asset from** | | |
| Medi Assist Insurance TPA Private Limited | 17.50 | - |
| **Gratuity transfer (Out)/ in** | | |
| Medi Assist Insurance TPA Private Limited | - | (8.45) |
| **Compensation of key management personnel** | | |
| (i) Short-term employee benefits (refer note b) | 65.80 | 54.59 |
| (ii) Director sitting fees | 5.45 | 4.48 |
| (iii) Employee stock option expense | 12.01 | 10.37 |
| (iv) Commission to independent directors | 3.00 | 2.50 |

(a) In the opinion of the management, all transactions were made on normal commercial terms and conditions.

(b) As the liability for gratuity and compensated absence is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel are not ascertainable and, therefore not included in the compensation.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 36 Related party disclosures (Contd..)

**(C) The Company has the following amount due from/ to related parties**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Trade receivables** | | |
| Phasorz Technologies Private Limited | 47.57 | 101.81 |
| Medi Assist Insurance TPA Private Limited | 69.24 | 215.94 |
| Mayfair We care Limited | 0.34 | - |
| **Unbilled receivables** | | |
| Phasorz Technologies Private Limited | - | 30.00 |
| **Non-current investments in subsidiaries** | | |
| Medi Assist Insurance TPA Private Limited | | |
| - Equity shares | 594.61 | 582.94 |
| International Healthcare Management Services Private Limited | | |
| - Equity shares | 46.66 | - |
| | | |
| Mayfair Consultancy Services India Private Limited | | |
| - Equity shares | 38.90 | - |
| Mayfair We Care Ltd | | |
| - Equity shares | 113.42 | - |
| **Accrued expenses (net of advance)** | | |
| Phasorz Technologies Private Limited | 8.00 | 14.50 |
| **Other receivables** | | |
| Phasorz Technologies Private Limited | 0.88 | 33.36 |
| Medi Assist Insurance TPA Private Limited | 4.54 | - |
| Medvantage Insurance TPA Pvt Ltd | 0.44 | - |
| **Other financial liabilities** | | |
| **Employee benefits payables** | | |
| Dr. Vikram Jit Singh Chatwal | 8.75 | 5.00 |
| Satish Gidugu | 6.38 | 3.00 |
| Megha Matoo | - | 1.50 |
| Mathew George | 3.55 | 4.00 |
| Simmi Bisht | 0.34 | - |
| **Trade payables** | | |
| Phasorz Technologies Private Limited | 0.52 | - |
| Medi Assist Insurance TPA Private Limited | 16.89 | - |
| **Payable towards capital expenditure** | | |
| Medi Assist Insurance TPA Private Limited | 26.29 | 35.74 |
| **Other payables** | | |
| Medi Assist Insurance TPA Private Limited | - | 33.78 |
| Phasorz Technologies Private Limited | 25.98 | - |

In addition to the above amounts due from / to related parties the Company has a receivable of ₹ 134.83 million ( March 31, 2022: ₹ 101.38 million) from certain selling shareholders relating to reimbursement of the proposed IPO related expenses incurred by the Company on their behalf. As the amount to be reimbursed by each shareholder will vary in proportion to the shares offered for sale by each shareholder in the proposed IPO, the amount pertaining to the related parties are not separately ascertainable.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 37 Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro Enterprises and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 and March 31, 2022 has been made in the standalone financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has the following dues to micro enterprises and small enterprises as at March 31, 2023 and March 31, 2022.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year: | | |
| Principal amount due to micro and small enterprises | 0.60 | 0.96 |
| Interest due on above | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| The amount of interest due and payable for the period 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 Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 38 Ratios

| Sr. No. | Ratio | | Numerator / denominator | March 31, 2023 | | March 31, 2022 | | % Change from March 31, 2022 to March 31, 2023 | Reason for change by more than 25% |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Current ratio | = | Current assets | 807.57 | 2.88 | 1,039.68 | 4.32 | -33% | Majorly on account of decrease in trade receivable as at March 31, 2023 |
| | | | Current liabilities | 280.80 | | 240.93 | | | |
| 2 | Debt- Equity Ratio | = | Total Debt | 28.39 | 0.02 | 45.81 | 0.03 | -38% | The decrease is mainly on account of decrease in liabilities as compared to previous year. |
| | | | Shareholder's equity | 1,678.04 | | 1,671.23 | | | |
| 3 | Debt Service coverage Ratio | = | Earnings available for debt service | - | - | - | - | - | - |
| | | | Debt Service | - | | - | | | |
| 4 | Return on Equity ("ROE") | = | Net profits after taxes - Preference dividend | 165.93 | 0.10 | 184.97 | 0.11 | -11% | - |
| | | | Average shareholder's equity | 1,674.64 | | 1,656.43 | | | |
| 5 | Inventory Turnover Ratio | = | Cost of Goods sold | - | - | - | - | - | - |
| | | | Average Inventory | - | | - | | | |
| 6 | Trade receivables turnover ratio | = | Net Credit Sales | 637.88 | 2.63 | 546.48 | 1.65 | 60% | Due to higher collections. |
| | | | Average Accounts Receivable | 242.85 | | 332.07 | | | |
| 7 | Trade payables turnover ratio | = | Net Credit Purchases | 408.66 | 5.97 | 260.00 | 6.89 | -13% | - |
| | | | Average Accounts Payable | 68.47 | | 37.74 | | | |
| 8 | Net capital turnover ratio | = | Net Sales | 637.88 | 1.21 | 546.48 | 0.68 | 77% | Due to increase in sales. |
| | | | Working Capital | 526.77 | | 798.75 | | | |
| 9 | Net profit ratio | = | Net Profit after tax | 165.93 | 0.26 | 184.97 | 0.34 | -23% | - |
| | | | Net Sales | 637.88 | | 546.48 | | | |
| 10 | Return on capital employed (ROCE) | = | Earning before interest and taxes | 192.93 | 0.11 | 185.29 | 0.11 | 4% | - |
| | | | Capital Employed | 1,678.04 | | 1,671.23 | | | |
| 11 | Return on investment | = | Income generated from invested funds | 13.15 | 0.04 | 22.46 | 0.06 | -28% | Due to lower return generated from invested funds. |
| | | | Average invested funds in treasury investments | 299.83 | | 367.70 | | | |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**39** The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

## 40 Additional Regulatory Information required under Schedule III

**(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Borrowing secured against current assets**

The Company has no borrowings from financial institutions on the basis of security of current assets.

**(iii) Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(iv) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(v) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**(vi) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any approved scheme of arrangement which has an accounting impact in current or previous financial year.

**(vii) Utilisation of borrowed funds and share premium**

I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**(viii) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(ix) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(x) Valuation of property, plant and equipment, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year. The Company does not have investment property.

**(xi) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**41** The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. The Company has continued to adopt measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalising various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The Company will continue to closely monitor any material changes to future economic conditions.

## 42 Exceptional item

Pursuant to board resolution, an amount of ₹ Nil (₹ 26.11 million) was credited to the standalone statement of profit and loss (as an exceptional item) relating to proposed Initial Public Offering (IPO) expenses incurred by the Company on behalf of certain selling shareholders and agreed to be reimbursed by them in proportion to their shares offered for sale at the time of the proposed IPO.

## 43 Acquisition of self funded business of Alinea Healthcare Private Limited

On 11 May 2023, the Company entered into a Business Transfer Agreement ("BTA") with Alinea Healthcare Private Limited ("AHPL") under which AHPL agreed to transfer the business undertaking relating to the claim a management for self funded corporate clients on a going concern on a slump sale basis. The transfer was executed for a consideration of ₹ 5.63 million.

## 44 Events after the reporting date

The Company evaluated all events or transactions that occurred after the balance sheet date through, the date at which the financial statements were available to be issued and determined that there are no other items to disclose except those already disclosed in the financial in earlier notes.

## 45 The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**46** Previous year figures have been regrouped/ reclassified to conform presentation as per Ind AS and as required by Schedule III of the Act.

The notes referred to above form an integral part of these standalone financial statements.

As per our report of even date attached.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**Amit Kumar Jhunjhunwala**
Partner
Membership Number: 067183

Place: Bengaluru
Date: July 21, 2023

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: July 21, 2023

Place: Bengaluru
Date: July 21, 2023

# Consolidated Financial Statements

# Restated Consolidated Balance Sheet as at 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

| Particulars | Note | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 273.99 | 212.49 |
| Right-of-use assets | 5 (a) | 268.90 | 200.88 |
| Goodwill | 6 | 754.31 | 409.80 |
| Other intangible assets | 7 | 417.70 | 163.81 |
| Intangible assets under development | 7 | - | 64.61 |
| Financial assets | 8 | | |
| Investments | 8 (a) | 12.66 | 69.39 |
| Other financial assets | 8 (b) | 116.56 | 58.93 |
| Income tax assets (net) | 9 | 661.79 | 492.47 |
| Deferred tax assets (net) | 10 | 91.30 | 95.19 |
| Other non-current assets | 11 | 38.60 | 6.56 |
| **Total non-current assets** | | **2,635.81** | **1,774.13** |
| **Current assets** | | | |
| Financial assets | 12 | | |
| Investments | 12 (a) | 427.31 | 1,945.04 |
| Trade receivables | 12 (b) | 1,271.57 | 1,187.70 |
| Cash and cash equivalents | 12 (c) | 539.44 | 145.95 |
| Bank balances other than cash and cash equivalents above | 12 (d) | 1,575.72 | 479.38 |
| Other financial assets | 12 (e) | 281.94 | 224.23 |
| Other current assets | 13 | 325.37 | 265.87 |
| | | **4,421.35** | **4,248.17** |
| Non-current assets held for sale | 51 | - | - |
| **Total current assets** | | **4,421.35** | **4,248.17** |
| **Total assets** | | **7,057.16** | **6,022.30** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 14 | 344.30 | 344.30 |
| Other equity | 15 | 3,421.81 | 3,026.99 |
| Equity attributable to owners of the Company | | 3,766.11 | 3,371.29 |
| Non-controlling interests | 15(a) | 70.61 | 21.57 |
| Total equity | | 3,836.72 | 3,392.86 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | 5 (b) | 186.90 | 175.20 |
| Other financial liabilities | 16 (a) | 73.36 | - |
| Provisions | 17 | 142.34 | 112.21 |
| Deferred tax liabilities (net) | 10 | 32.48 | - |
| **Total non-current liabilities** | | **435.08** | **287.41** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 18 (a) | 0.77 | - |
| Lease liabilities | 5 (b) | 119.12 | 99.58 |
| Trade payables | 18 (b) | | |
| Total outstanding dues of micro enterprises and small enterprises | | 68.62 | 32.32 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 295.66 | 257.88 |
| Other financial liabilities | 18 (c) | 350.68 | 132.94 |
| Contract liabilities | 19 (a) | 1,713.40 | 1,536.96 |
| Other current liabilities | 19 (b) | 115.74 | 216.13 |
| Provisions | 20 | 120.94 | 66.22 |
| Current tax liabilities (net) | 21 | 0.43 | - |
| **Total current liabilities** | | **2,785.36** | **2,342.03** |
| **Total liabilities** | | **3,220.44** | **2,629.44** |
| **Total equity and liabilities** | | **7,057.16** | **6,022.30** |

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII.

The above restated consolidated statement of assets and liabilities should be read in conjunction with the accompanying notes.

As per our report of even date.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**Amit Kumar Jhunjhunwala**
Partner
Membership No: 067183

Place: Bengaluru
Date: 02 August 2023

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish V N Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: 02 August 2023

Place: Bengaluru
Date: 02 August 2023

# Restated Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions except share data and per share data, unless otherwise stated)*

| Particulars | Note | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Continuing operations** | | | |
| **Income** | | | |
| Revenue from contracts with customers | 22 | 5,049.34 | 3,938.10 |
| Other income | 23 | 140.21 | 182.13 |
| **Total income** | | **5,189.55** | **4,120.23** |
| **Expenses** | | | |
| Employee benefits expense | 24 | 1,976.93 | 1,556.79 |
| Finance costs | 25 | 29.89 | 29.50 |
| Depreciation and amortisation expenses | 26 | 267.69 | 284.08 |
| Other expenses | 27 | 1,878.95 | 1,469.10 |
| Total expenses | | **4,153.46** | **3,339.47** |
| **Restated profit before exceptional item and tax** | | **1,036.09** | **780.76** |
| **Exceptional item** | 47 | - | 26.11 |
| Restated profit before tax for the year from continuing operations | | **1,036.09** | **806.87** |
| Income tax expense | 37 | | |
| Current tax | | 279.41 | 192.26 |
| Adjustment for current tax relating to earlier years | | - | (38.99) |
| Deferred tax | | 3.60 | 18.93 |
| **Total income tax expense** | | **283.01** | **172.20** |
| **Restated profit for the year from continuing operations** | | **753.08** | **634.67** |
| **Discontinued operations** | 39 (iii) | | |
| **Restated profit/ (loss) before tax for the year from discontinued operations** | | (16.92) | 10.04 |
| Tax (expense)/ credit of discontinued operations for the year | | 4.26 | (2.53) |
| **Restated profit/ (loss) for the year from discontinued operations** | | **(12.66)** | **7.51** |
| **Restated profit for the year** | | **740.42** | **642.18** |
| **Restated other comprehensive (loss)/ income** | | | |
| **Items that will not be reclassified to profit and loss in subsequent periods** | | | |
| Re-measurement of defined benefit plans | 31(b) | (4.73) | (28.06) |
| Fair value changes in equity instruments through other comprehensive income | | (56.73) | (5.33) |
| Income tax relating to items that will not be reclassified to profit and loss | | (3.58) | 7.67 |
| Item that will be reclassified to profit and loss in subsequent periods | | | |
| Exchange differences on translation of foreign operations | | 6.74 | - |
| **Restated other comprehensive (loss)/ income for the year, net of tax** | | **(58.30)** | **(25.72)** |
| **Restated total comprehensive income for the year** | | **682.12** | **616.46** |
| Restated profit for the year attributable to: | | | |
| Owners of the Company | | 740.59 | 642.18 |
| Non-controlling interests | | (0.17) | - |
| | | **740.42** | **642.18** |
| **Restated other comprehensive income for the year attributable to:** | | | |
| Owners of the Company | | (60.98) | (25.72) |
| Non-controlling interests | | 2.68 | - |
| | | **(58.30)** | **(25.72)** |
| **Restated total comprehensive income for the year attributable to:** | | | |
| Owners of the Company | | 679.61 | 616.46 |
| Non-controlling interests | | 2.51 | - |
| | | **682.12** | **616.46** |
| **Restated earnings per share for continuing operations [Face value of ₹ 5 per share (31 March 2022: ₹ 5 per share, 31 March 2021: ₹ 5 per share)]** | 29 | | |
| Basic (₹) | | 10.94 | 9.22 |
| Diluted (₹) | | 10.83 | 9.14 |
| **Restated earnings/ (loss) per share for discontinued operations [Face value of ₹ 5 per share (31 March 2022: ₹ 5 per share, 31 March 2021: ₹ 5 per share)]** | 29 | | |
| Basic (₹) | | (0.18) | 0.11 |
| Diluted (₹) | | (0.18) | 0.11 |
| **Restated earnings per share for continuing and discontinued operations [Face value of ₹ 5 per share (31 March 2022: ₹ 5 per share, 31 March 2021: ₹ 5 per share)]** | 29 | | |
| Basic (₹) | | 10.76 | 9.33 |
| Diluted (₹) | | 10.65 | 9.25 |

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII.

The above restated consolidated statement of assets and liabilities should be read in conjunction with the accompanying notes.

As per our report of even date.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**Amit Kumar Jhunjhunwala**
Partner
Membership No: 067183

Place: Bengaluru
Date: 02 August 2023

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish V N Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: 02 August 2023

Place: Bengaluru
Date: 02 August 2023

Medi Assist

# Restated Consolidated Statement of Cash Flows

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Restated profit before tax for the year from continuing operations | 1,036.09 | 806.87 |
| Restated profit/ (loss) before tax for the year from discontinued operations | (16.92) | 10.04 |
| **Adjustments:** | | |
| Depreciation and amortisation expenses | 267.69 | 284.08 |
| Allowance for expected credit losses on trade receivables and other receivables | 17.04 | 22.69 |
| Bad debts written off | 80.84 | 98.57 |
| Utilisation of provision for expected credit losses | (80.84) | (98.57) |
| Provision for doubtful advances and other receivables | 15.30 | - |
| Employee stock option compensation expense | 32.78 | 23.10 |
| Creditors/Provisions no longer required written back | (12.44) | (11.52) |
| Rent concession | - | - |
| Gain on modification of lease contract | (10.33) | - |
| Finance costs | 29.89 | 29.50 |
| Profit on sale of investments in mutual funds | (60.20) | (12.35) |
| Profit on sale of non-current investments | - | - |
| Interest income | (40.68) | (31.29) |
| Loss on disposal of property, plant and equipment (net) | 4.76 | 9.37 |
| Profit on sale of platform business | - | (69.70) |
| Net gain on financial assets measured at fair value through profit or loss | (12.56) | (46.34) |
| Foreign exchange loss (net) | 1.97 | - |
| Advances written off | 1.26 | - |
| **Operating profit before working capital changes** | **1,253.65** | **1,014.45** |
| **Working capital adjustments:** | | |
| Decrease in trade payables | (52.61) | (33.14) |
| Increase/ (decrease) in other liabilities | 47.54 | 262.85 |
| Increase in provisions | 18.70 | 11.71 |
| Decrease in trade receivables | 36.66 | 0.41 |
| (Increase)/ decrease in other assets | (101.75) | (184.81) |
| **Cash generated from operations** | **1,202.19** | **1,071.47** |
| Income taxes (paid)/ refunds (net) | (391.40) | (426.71) |
| **Net cash flows from operating activities (A)** | **810.79** | **644.76** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment, other intangible assets including capital advances | (276.69) | (60.06) |
| Payment for intangible assets under development | - | (57.67) |
| Proceeds from sale of property, plant and equipment and other intangible assets | - | 90.27 |
| Payment for acquisition of subsidiaries, net of cash acquired | (275.69) | - |
| Payment towards advance for investment | - | (50.00) |
| Proceeds from sale of investment (net) | - | - |
| (Purchase)/sale of investments in mutual funds (net) | 1,540.49 | (805.46) |
| (Investments)/redemption of bank deposits | (1,128.40) | 25.42 |
| Interest received | 35.41 | 28.51 |
| **Net cash used in investing activities (B)** | **(104.88)** | **(828.99)** |

# Restated Consolidated Statement of Cash Flows

for the year ended 31 March 2023
*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Repayment of short-term borrowings | (42.83) | - |
| Repayment of non-convertible debentures | - | - |
| Payment (including interest) of lease liabilities | (140.18) | (129.59) |
| Dividend paid | (130.14) | (172.15) |
| Finance costs paid | (2.10) | (1.97) |
| **Net cash used in financing activities (C)** | **(315.25)** | (303.71) |
| **Net increase/ (decrease) in cash and cash equivalents (A+B+C)** | **390.66** | (487.94) |
| Cash and cash equivalents at the beginning of the year | 145.95 | 633.89 |
| Effects of movements in exchange rates on cash and cash equivalents | 2.83 | - |
| **Cash and cash equivalents at the end of the year** | **539.44** | 145.95 |
| **Component of cash and cash equivalents** | | |
| Balances with banks | | |
| - In current accounts | 506.48 | 145.69 |
| - In deposits with original maturity of less than three months | 26.00 | - |
| Cash on hand | 6.96 | 0.26 |
| **Total cash and cash equivalents at the end of the year** | **539.44** | 145.95 |

## Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **(a) Borrowings (Non-current and current):** | | |
| Opening balance | - | - |
| **(i) Non-cash movements in borrowings** | | |
| Additions through business combinations (Refer note 38 to Annexure VI) | 43.60 | - |
| Interest accrued on debentures | - | - |
| Conversion of redeemable preference shares into equity shares | - | - |
| **(ii) Cash movements in borrowings** | | |
| Payments during the year | (42.83) | - |
| **Closing balance** | **0.77** | **-** |

# Restated Consolidated Statement of Cash Flows

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

### Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **(b) Lease liabilities (Non-current and current):** | | |
| Opening balance | 274.78 | 353.00 |
| **(i) Non-cash movements in lease liabilities** | | |
| Additions through business combinations (Refer note 38 to Annexure VI) | 4.34 | - |
| Additions for the year | 177.95 | 23.86 |
| Deletions for the year | (35.76) | - |
| Interest expense for the year | 24.89 | 27.51 |
| Rent concession | - | - |
| **(ii) Cash movements in lease liabilities** | | |
| Payments (including interest) of lease liabilities | (140.18) | (129.59) |
| **Closing balance** | **306.02** | **274.78** |

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII.

The above restated consolidated statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 - "Statement of Cash Flows" notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 (as amended) and the relevant provisions of the Act.

The above restated consolidated statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Amit Kumar Jhunjhunwala**
Partner
Membership No: 067183

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish V N Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: 02 August 2023

Place: Bengaluru
Date: 02 August 2023

Place: Bengaluru
Date: 02 August 2023

# Restated Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions except share data and per share data, unless otherwise stated)*

## A. Equity share capital

| Particulars | For the year ended 31 March 2023 | | For the year ended 31 March 2022 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 6,88,59,212 | 344.30 | 37,181 | 0.37 |
| Shares issued during the year* | - | - | - | - |
| Sub-division of shares during the year from ₹10 to ₹5 each* | - | - | 37,181 | - |
| Bonus shares issued during the year* | - | - | 6,87,84,850 | 343.93 |
| **Balance at the end of the year** | **6,88,59,212** | **344.30** | **6,88,59,212** | **344.30** |

* Refer Note 14(a) to Annexure VI.

## B. Other equity ##

| Particulars | Annexure VI Note | Reserves and Surplus | | | | | | | Items of Other Comprehensive Income (OCI) | | Total attributable to owners of the Company | Non-controlling interests ('NCI') | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Employee stock option reserve | Securities premium | General reserve | Debenture redemption reserve | Demerger deficit balance | Other equity | Retained earnings | Foreign currency translation reserve | Equity instruments through OCI | | | |
| **Balance as at 1 April 2020** | | **55.75** | **566.80** | **-** | **1.36** | **(370.18)** | **369.85** | **1,553.17** | **-** | **(63.08)** | **2,113.67** | **21.57** | **2,135.24** |
| Restated profit for the year from continuing operations | | - | - | - | - | - | - | 380.05 | - | - | 380.05 | - | 380.05 |
| Restated loss for the year from discontinued operations | | - | - | - | - | - | - | (117.31) | - | - | (117.31) | - | (117.31) |
| Remeasurements of defined benefit plans, net of tax | | - | - | - | - | - | - | (4.39) | - | - | (4.39) | - | (4.39) |
| Restated other comprehensive income for the year, net of tax | | - | - | - | - | - | - | - | - | 8.50 | 8.50 | - | 8.50 |
| **Restated total comprehensive income for the year** | | **-** | **-** | **-** | **-** | **-** | **-** | **258.35** | **-** | **8.50** | **266.85** | **-** | **266.85** |

Medi Assist

# Restated Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions except share data and per share data, unless otherwise stated)*

| Particulars | Annexure VI Note | Reserves and Surplus | | | | | | | Items of Other Comprehensive Income (OCI) | | Total attributable to owners of the Company | Non-controlling interests ('NCI') | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Employee stock option reserve | Securities premium | General reserve | Debenture redemption reserve | Demerger deficit balance | Other equity | Retained earnings | Foreign currency translation reserve | Equity instruments through OCI | | | |
| **Transactions with owners of the Company:** | | | | | | | | | | | | | |
| Premium received on issue of equity shares | 14(a) | - | 522.99 | - | - | - | - | - | - | - | 522.99 | - | 522.99 |
| Transfer of debenture redemption reserve to general reserve | | - | - | 1.36 | (1.36) | - | - | - | - | - | - | - | - |
| **Balance as at 31 March 2021** | | **55.75** | **1,089.79** | **1.36** | **-** | **(370.18)** | **369.85** | **1,811.52** | **-** | **(54.58)** | **2,903.51** | **21.57** | **2,925.08** |
| **Balance as at 1 April 2021** | | **55.75** | **1,089.79** | **1.36** | **-** | **(370.18)** | **369.85** | **1,811.52** | **-** | **(54.58)** | **2,903.51** | **21.57** | **2,925.08** |
| Restated profit for the year from continuing operations | | - | - | - | - | - | - | 634.67 | - | - | 634.67 | - | 634.67 |
| Restated profit for the year from discontinued operations | | - | - | - | - | - | - | 7.51 | - | - | 7.51 | - | 7.51 |
| Remeasurements of defined benefit plans, net of tax | | - | - | - | - | - | - | (21.00) | - | - | (21.00) | - | (21.00) |
| Restated other comprehensive loss for the year, net of tax | | - | - | - | - | - | - | - | - | (4.72) | (4.72) | - | (4.72) |
| **Restated total comprehensive income for the year** | | **-** | **-** | **-** | **-** | **-** | **-** | **621.18** | **-** | **(4.72)** | **616.46** | **-** | **616.46** |
| **Transactions with owners of the Company:** | | | | | | | | | | | | | |
| Dividend paid during the year | 15 | - | - | - | - | - | - | (172.15) | - | - | (172.15) | - | (172.15) |
| Employee stock option compensation cost (net) | 32(a) | 23.10 | - | - | - | - | - | - | - | - | 23.10 | - | 23.10 |

# Restated Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions except share data and per share data, unless otherwise stated)*

| Particulars | Annexure VI Note | Reserves and Surplus | | | | | | | Items of Other Comprehensive Income (OCI) | | Total attributable to owners of the Company | Non-controlling interests ('NCI') | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Employee stock option reserve | Securities premium | General reserve | Debenture redemption reserve | Demerger deficit balance | Other equity | Retained earnings | Foreign currency translation reserve | Equity instruments through OCI | | | |
| Utilisation of Securities Premium on issue of bonus shares | 14(a) | - | (343.93) | - | - | - | - | - | - | - | (343.93) | - | (343.93) |
| **Balance as at 31 March 2022** | | **78.85** | **745.86** | **1.36** | **-** | **(370.18)** | **369.85** | **2,260.55** | **-** | **(59.30)** | **3,026.99** | **21.57** | **3,048.56** |
| **Balance as at 1 April 2022** | | **78.85** | **745.86** | **1.36** | **-** | **(370.18)** | **369.85** | **2,260.55** | **-** | **(59.30)** | **3,026.99** | **21.57** | **3,048.56** |
| Restated profit for the year from continuing operations | | - | - | - | - | - | - | 753.25 | - | - | 753.25 | (0.17) | 753.08 |
| Restated loss for the year from discontinued operations | | - | - | - | - | - | - | (12.66) | - | - | (12.66) | - | (12.66) |
| Remeasurements of defined benefit plans, net of tax | | - | - | - | - | - | - | (3.54) | - | - | (3.54) | - | (3.54) |
| Restated other comprehensive loss for the year, net of tax | | - | - | - | - | - | - | - | 4.06 | (61.50) | (57.44) | 2.68 | (54.76) |
| **Restated total comprehensive income for the year** | | **-** | **-** | **-** | **-** | **-** | **-** | **737.05** | **4.06** | **(61.50)** | **679.61** | **2.51** | **682.12** |
| **Transactions with owners of the Company:** | | | | | | | | | | | | | |
| Dividend paid during the year | 15 | - | - | - | - | - | - | (130.14) | - | - | (130.14) | - | (130.14) |
| NCI on acquisition of subsidiaries | 38 (iii) | - | - | - | - | - | - | - | - | - | - | 68.10 | 68.10 |
| Put option liability over NCI | 38 (iii) | - | - | - | - | - | (67.74) | - | - | - | (67.74) | - | (67.74) |

# Restated Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions except share data and per share data, unless otherwise stated)*

| Particulars | Annexure VI Note | Reserves and Surplus | | | | | | | Items of Other Comprehensive Income (OCI) | | Total attributable to owners of the Company | Non-controlling interests ('NCI') | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Employee stock option reserve | Securities premium | General reserve | Debenture redemption reserve | Demerger deficit balance | Other equity | Retained earnings | Foreign currency translation reserve | Equity instruments through OCI | | | |
| Transfer on account of forfeiture of ESOP options | | (0.38) | - | - | - | - | - | 0.38 | - | - | - | - | - |
| Employee stock option compensation cost (net) | 32 (a) | 32.78 | - | - | - | - | - | - | - | - | 32.78 | - | 32.78 |
| Employee stock option settlement* | 32 (c) | - | - | - | - | - | - | (119.69) | - | - | (119.69) | (21.57) | (141.26) |
| **Balance as at 31 March 2023** | | **111.25** | **745.86** | **1.36** | **-** | **(370.18)** | **302.11** | **2,748.15** | **4.06** | **(120.80)** | **3,421.81** | **70.61** | **3,492.42** |

## Refer note 15 to Annexure VI.

* The employee stock option reserve of Medi Assist Insurance TPA Private Limited, a wholly owned subsidiary of the Company, representing the ESOPs granted to counterparty not forming part of the consolidated reporting entity were classified and presented as NCI up to 31 March 2022. These ESOPs have not been exercised and have been settled during the year ended 31 March 2023.

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII.

The above restated consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**Amit Kumar Jhunjhunwala**
Partner
Membership No: 067183

Place: Bengaluru
Date: 02 August 2023

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish V N Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: 02 August 2023

Place: Bengaluru
Date: 02 August 2023

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 1 Corporate information

Medi Assist Healthcare Services Limited ("the Company" or "Parent") is a public limited company domiciled in India and is incorporated on 7 June, 2000 under the provisions of the Companies Act applicable in India. The Company received order from the Registrar of Companies with fresh certificate of incorporation upon conversion from private company to public company with effect from 20 March, 2018. The Company's registered office is situated at Tower D, 4th Floor, IBC Knowledge Park, 4/1, Bannerghatta Road, Bengaluru 560 029. The business operations of the Company are carried out at various cities in India.

The Company, and its below mentioned subsidiaries (collectively the "Group"), are mainly engaged in the business of providing Third Party Administration (TPA) services. The Group has signed up contracts with several general and health insurance companies to manage the requirements of their policyholders, as well as with healthcare providers (such as hospitals) to enable a network for policyholders to avail of cashless treatment at pre-negotiated tariffs. The Group also provides business support services, health management services, consultancy services and contact centre support and other allied services pertaining to the healthcare and health insurance sector. The Group primarily derives its income in the form of TPA fees from insurance companies expressed either as a percentage of the insurance premium paid by the insured to the insurance company or as a fixed price per member/ family. The Group also derives income from pre-policy check ups and other allied services provided to insurance companies, and for policy administration services rendered to Governments to enable public health schemes.

The Board of Directors of the Company vide resolution dated 30 December 2020 has approved the discontinuation of the business pertaining to card processing which are mainly generating revenue from government contracts. Accordingly, the Group has disclosed the discontinuation of card processing business as discontinued operations as per the requirements of Ind AS 105 ' Non current assets held for sale and Discontinued operations'. The Group has re-presented the comparative information due to the discontinued operations.

The Board of Directors of the Company vide resolution dated 13 November 2021 has approved the discontinuation of the business pertaining to pre-policy health check-up services which are mainly generating revenue from pre-policy services. Accordingly, the Group has disclosed the discontinuation of pre-policy business as discontinued operations as per the requirements of Ind AS 105 ' Non current assets held for sale and Discontinued operations'. The Group has re-presented the comparative information due to the discontinued operations.

The Restated Consolidated Financial Information of the Group comprises the financial statements of the Parent and other members of the Group as set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of subsidiaries | Country of incorporation | % of ownership interest held by the Group @ | | | Principal activities of each subsidiary |
|---|---|---|---|---|---|
| | | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 | |
| Medi Assist Insurance TPA Private Limited ("MATPA") | India | 100 | 100 | 100 | TPA services |
| Medvantage Insurance TPA Private Limited (w.e.f 13 February 2023) - Subsidiary of MATPA ("Medvantage") # | India | 100 | - | - | TPA services |
| International Healthcare Management Services Private Limited (w.e.f 18 November 2022) | India | 100 | - | - | Healthcare services |
| Mayfair Consultancy Services India Private Limited (w.e.f 18 November 2022) | India | 100 | - | - | Healthcare services |
| Mayfair We Care Ltd ("MWCL") (w.e.f 25 November 2022) * | United Kingdom | 60 | - | - | Healthcare services |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 1 Corporate information (Contd..)

| Name of subsidiaries | Country of incorporation | % of ownership interest held by the Group @ | | | Principal activities of each subsidiary |
|---|---|---|---|---|---|
| | | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 | |
| Mayfair Group Holding Subcontinent Limited (w.e.f 25 November 2022) - Subsidiary of MWCL* | United Kingdom | 100 | - | - | Healthcare services |
| Mayfair We Care Philippines Inc (w.e.f 25 November 2022) - Subsidiary of MWCL* | Philippines | 85 | - | - | Healthcare services |
| Mayfair We Care Pte Ltd (w.e.f 25 November 2022) - Subsidiary of MWCL* | Singapore | 100 | - | - | Healthcare services |

@ Represents the ownership percentage of the immediate parent in each subsidiary entity and does not indicate the effective ownership percentage of the Group.

*The consolidated financial information in respect of MWCL and its subsidiaries as at the date of acquisition and for the period from the date of acquisition to 31 March 2023 are unaudited and have been considered for these Restated Consolidated Financial Information based on the unaudited consolidated financial information as certified by management.

# The financial information in respect of Medvantage for the period from the date of acquisition to 31 March 2023 considered for these Restated Consolidated Financial Information are based on financial information prepared by the management of the subsidiary and subject to agreed upon procedures by the component auditor.

## 2 Basis of preparation

**A Statement of compliance:**

The Restated Consolidated Financial Information of the Group comprise the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2023, 31 March 2022 and 31 March 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash flows and the Restated Consolidated Statement of Changes in Equity for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, and the Basis of Preparation and Significant Accounting Policies (together referred to as 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective as at 31 March 2023. These Restated Consolidated Financial Information have been approved by the Board of Directors on 02 August 2023.

These Restated Consolidated Financial Information have been prepared by the management of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed Initial Public Offering of equity shares of face value of ₹ 5 each of the Company comprising an Offer of Sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Company in terms of the requirements of :

(i) Section 26 of Part I of Chapter III of the Act;

(ii) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018 in pursuance of the Securities and Exchange Board of India Act, 1992; and

(iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note") .

These Restated Consolidated Financial Information have been compiled by the Management from the audited consolidated financial statements of the Group as at and for the year ended 31 March, 2023 and 31 March, 2022 and from the audited special purpose consolidated financial statements of the Group as at and for the year ended 31 March, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 21 July, 2023, 23 September, 2022 and 07 July, 2023 respectively.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**B Functional and presentation currency**

These Restated Consolidated Financial Information are presented in Indian Rupees (₹), which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest million, up to two decimal places, unless otherwise indicated.

**C Basis of measurement**

The Restated Consolidated Financial Information have been prepared under the historical cost basis, except for the following:

| Items | Measurement basis |
|---|---|
| Certain financial assets and liabilities (including derivatives instruments) | Fair value |
| Share based payments at grant date | Fair value |
| Defined benefit and other long-term employee benefits obligations | Present value of defined benefit obligations less fair value of plan assets |

**D Use of estimates and judgements**

In preparing these Restated Consolidated Financial Information in conformity with Ind AS, management has made estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the Restated Consolidated Financial Information and reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Restated Consolidated Financial Information in the year in which changes are made and, if material, their effects are disclosed in the notes to the Restated Consolidated Financial Information.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements, estimates and assumptions are required in particular for:

**(a) Determination of the estimated useful lives:**

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, these are estimated by management 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.

**(b) Recognition of deferred tax assets:**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, (and unutilised business loss and depreciation carry-forwards and tax credits, if any). Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

**(c) Recognition and measurement of defined benefit obligations:**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the defined benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

**(d) Fair valuation of employee share options:**

The fair valuation of the employee share options is based on the Black-Scholes Model used for valuation of options. Key assumptions made are with respect to expected volatility, share price, expected dividends and discount rate, under option pricing model.

**(e) Impairment testing:**

Property, plant and equipment, investments, right-of-use assets, intangible assets and other assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**(f) Business combinations:**

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The purchase price in an acquisition is measured at the fair value of the assets transferred and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group.

Estimates are required to be made in determining the value of intangible assets and option arrangements. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the management.

**(g) Leases:**

The Group evaluates if an arrangement qualifies to be a lease based on the requirements of Ind AS 116 Leases and identification of a lease requires management judgment. Computation of the lease liabilities and right-of-use assets requires management to estimate the lease term (including anticipated renewals) and the applicable discount rate. Management estimates the lease term based on past practices and reasonably estimated/ anticipated future events. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**(h) Expected credit losses on financial assets:**

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate (in case of non current financial assets).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**E Measurement of fair values**

The Group measures certain financial instruments at fair value at each balance sheet date. 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:

(i) In the principal market for the asset or liability, or

(ii) 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 Group.

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When the fair values of financial assets and financial liabilities recorded in the restated consolidated statement of assets and liabilities cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

Further information about the assumptions made in measuring fair values is included in the following notes of Annexure VI:

- Note 32: Share based payments.
- Note 33: Financial instruments.
- Note 38: Business combinations.

**F Current and non-current classification**

The Group presents assets and liabilities in the Restated Consolidated Statement of Assets and Liabilities based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle.
- it is held primarily for the purpose of being traded;"
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include current portion of non-current assets/ liabilities respectively.

All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

**Operating cycle**

Based on the nature of the operations and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

## 3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently throughout the period presented in these Restated Consolidated Financial Information, unless otherwise stated.

**a. Basis of consolidation**

**Subsidiaries:**

The Group determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements.

Subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expense. Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted for the Group.

Non-controlling interests ("NCI") in the results and equity of subsidiary are shown separately in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Changes in Equity respectively.

Where the Group writes a put option over NCI, the Group assesses whether it has present access to returns associated with the ownership interests subject to the put option. If the Group concludes that it does not have present access, the NCI are not de-recognised and continue to receive an allocation of profit and loss and other comprehensive income. The Group recognises a liability for the present value of the put option redemption amount against other equity and any subsequent changes are accounted for in profit or loss. The put option liability is de-recognised on settlement or expiry.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**b. Financial instruments**

**(i) Recognition and initial measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts.

Financial instruments also cover contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Recognition and initial measurement – financial assets and financial liabilities:

A financial asset (except for trade receivables and unbilled revenue/ contract assets) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Restated Consolidated Statement of Profit and Loss.

**Finance income and expenses**

Finance income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognised as it accrues in the Restated Consolidated Statement of Profit and Loss, using the effective interest method.

Dividend income is recognised in the Restated Consolidated Statement of Profit and Loss on the date that the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.

Finance expenses consist of interest expense on loans and borrowings and financial liabilities. The costs of these are recognised in the Restated Consolidated Statement of Profit and Loss using the effective interest method.

**(ii) Classification and subsequent measurement**

**Financial assets**

The Group classifies financial assets as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit and loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Amortised cost:

A financial asset is classified and measured at amortised cost if both the following conditions are met:

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

Fair value through other comprehensive income ("FVOCI"):

A financial asset is classified and measured at FVOCI if both the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*



**Fair value through profit and loss ("FVTPL")**

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVOCI. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at investment level because this reflects the best way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered as sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**Financial assets: Subsequent measurement and gains and losses**

| | |
|---|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Restated Consolidated Statement of Profit and Loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Restated Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Restated Consolidated Statement of Profit and Loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in the Restated Consolidated Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the Restated Consolidated Statement of Profit and Loss. |

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Restated Consolidated Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Restated Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Restated Consolidated Statement of Profit and Loss.

**(iii) Derecognition**

**Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

**Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Restated Consolidated Statement of Profit and Loss.

**(iv) Offsetting financial instruments:**

Financial assets and financial liabilities are offset and the net amount presented in the Restated Consolidated Statement of Assets and Liabilities when, and only when, the Group 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.

**c. Foreign currency transactions and balances**

**Transactions and balances**

Transactions in foreign currencies are translated into the respective functional currencies of the Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Restated Consolidated Statement of Profit and Loss.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**Translations of foreign operations**

For the purposes of presenting Restated Consolidated Financial Information, the assets and liabilities of the Group's foreign operations that have a functional currency other than ₹ are translated into ₹ using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognised in FCTR is transferred to the Restated Consolidated Statement of Profit or Loss as part of the profit or loss on disposal.

**d. Cash and cash equivalents**

"Cash and cash equivalents in the Restated Consolidated Statement of Assets and Liabilities 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 Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash excluding restricted cash balance and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management. Any cash and cash equivalents, other bank balances with significant restrictions with regards to the Group's ability to freely use it is disclosed appropriately by way of a foot note.

**e. Cash flow statement**

Cash flows are reported using indirect method, whereby net 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 operating, investing and financing activities of the Group are segregated.

**f. Earnings per share**

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders of the Parent by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

Diluted EPS adjust the figures used in the determination of basic EPS to consider:

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**g. Revenue from contracts with customers**

"The Group follows Ind AS 115 "Revenue from Contracts with Customers". Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those services (net of goods and services tax). Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

The Group derives revenue from rendering Third Party Administration (TPA) services which is measured either as a percentage of insurance premium or amount per member/ family covered under the policy depending on the terms of the contract entered into with insurance companies and government agencies. Such amounts are recognised as revenue on a pro-rata basis during the period of the underlying insurance policy. Performance obligations while rendering services are satisfied over time, as and when the services are rendered since the customer simultaneously receives and consumes the benefits provided by the Group.

The Group derives revenue from rendering healthcare management services in accordance with the terms of the relevant service agreement entered with customers and revenue is recognised at a point in time as and when the related services are rendered.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

The Group derives revenue from pre-policy health check-up services in accordance with the terms of the relevant service agreement entered with customers and revenue is recognised at a point in time as and when the related services are rendered. Since the Group acts as an agent while providing such services and there exists back to back arrangements in which the Group merely acts as a facilitator, the Group recognises its margin on these transactions as revenue.

Revenue from card processing income are recognised at a point in time as and when the related services are rendered.

The Group derives revenue from rendering business support services in accordance with the terms of the relevant service agreement entered with customers, where performance obligations are satisfied over the contract period as the Group's efforts or inputs are expended evenly throughout the contract period.

Revenue from licenses where the customer obtains "right to use" is recognised over the access period on a straight line basis.

Revenue in excess of invoicing are classified as unbilled receivables (under trade receivables) where related performance obligation are rendered and right to consideration is unconditional. Invoicing in excess of revenues are classified as contract liabilities. A contract liability is the obligation to transfer of services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers of services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**h. Property, plant and equipment**

**Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

An item of property, plant and equipment is eliminated from the Restated Consolidated Financial Information on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Restated Consolidated Statement of Profit and Loss.

**Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

**Depreciation**

Depreciation on property, plant and equipment is provided on straight-line method over the useful lives determined based on internal assessment by the management which in certain instances are different from those prescribed under Schedule II of the Companies Act, 2013 in order to reflect actual usage of the assets. The Group estimates the useful lives for property, plant and equipment as follows:

| Asset categories | Useful life in years |
|---|---|
| Furniture and fixtures | 10 |
| Office equipments | 5 |
| Computers and Computer equipments, servers and network | 3-6 |
| Electrical equipments | 10 |
| Air conditioners | 10 |

Leasehold improvements are depreciated over the lease term or the useful lives of the assets, whichever is lower.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use and the depreciation charge for the year is recognised in the Restated Consolidated Statement of Profit and Loss.

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

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023
*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

### i. Intangible assets

**Recognition and measurement**

**Acquired intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Goodwill is measured at cost less accumulated impairment loss.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors such as the stability of the industry and technology required to obtain the expected future cash flows from the asset.

**Intangible assets under development**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Restated Consolidated Statement of Profit and Loss unless such expenditure forms part of the carrying value of another asset. During the period of development, the asset is tested for impairment annually.

**Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Restated Consolidated Statement of Profit and Loss as incurred.

**Amortisation**

Amortisation is recognised in the Restated Consolidated Statement of Profit and Loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Management believes that period of amortisation is representative of the period over which the Group expects to derive economic benefits from the use of the assets. Amortisation methods and useful lives are reviewed periodically including at each financial year end. Amortisation on additions and disposals during the year is provided on proportionate basis.

The intangible assets are amortised over the estimated useful lives as given below:

| Asset categories | Useful life in years |
|---|---|
| Software | 3 |
| Customer relationships | 5 - 8 |
| Customer contracts | 10 |
| Non-compete fees | 2 |

**Derecognition of intangible assets**

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Consolidated Statement of Profit and Loss. when the asset is derecognised.

### j. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets which are measured at amortised cost e.g., loans receivables, deposits and bank balance.

b) Trade receivables or contract assets/unbilled receivables or another financial asset that result from transactions that are within the scope of Ind AS 115.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision policy that is based on its historical credit loss

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

### Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Group's procedures for the recovery of amount due.

## k. Impairment of non-financial assets

"In accordance with Ind AS 36, Goodwill and intangible assets under development are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset/cash generating unit is less than its carrying value.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

## l. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

### Group as a lessee

The Group's leased assets class primarily consist of leases for buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

(iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less accumulated amortisation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Restated Consolidated Statement of Profit and Loss.

### Share-based compensation

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 32 to Annexure VI.

That cost is recognised, together with a corresponding increase in employee stock option reserve in equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Restated Consolidated Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expenses.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**n. Business combinations**

"Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in the Restated Consolidated Financial Information of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

**o. Taxation**

Income tax comprises current and deferred tax. Income tax expense is recognised in the Restated Consolidated Statement of Profit and Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

**Current income tax**

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the assets and settle the liability on a net basis or simultaneously.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits (if any). Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction

- temporary differences related to investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. 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 Group 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.

"Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

**p. Non-current assets held for sale and discontinued operations**

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Restated Consolidated Statement of Profit and Loss.

Non-current assets classified as held for sale are presented separately from other assets in the Restated Consolidated Statement of Assets and Liabilities.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Restated Consolidated Statement of Profit and Loss.

The post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets constituting the discontinued operation are disclosed separately as a single amount in the Restated Consolidated Statement of Profit and Loss.

An analysis of the single amount into the revenue, expenses and pre-tax profit or loss of discontinued operations, the related income tax expense as required by Ind AS 12 and the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets constituting the discontinued operation along with the related income tax expense thereon as required by Ind AS 12 may be presented in the notes or in the Restated Consolidated Statement of Profit and Loss.

**q. Provisions (other than for employee benefits) and contingent liabilities**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Restated Consolidated Statement of Profit and Loss net of any reimbursement.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is not recognised but disclosed in the Restated Consolidated Financial Information where an inflow of economic benefit is probable.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

**r. Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**s. Cash dividend**

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders (in the case of interim dividend it is approved by Board of Directors). A corresponding amount is recognised directly in equity.

**t. Recent pronouncements on Indian Accounting Standards (Ind AS):**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group does not expect this amendment to have any significant impact in its Restated Consolidated Financial Information.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group does not expect this amendment to have any significant impact in its Restated Consolidated Financial Information.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no significant impact on its Restated Consolidated Financial Information.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 4 Property, plant and equipment*

| Particulars | Leasehold improvements | Furniture and fixtures | Office equipments | Computers | Electrical equipments | Air conditioners | Total |
|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | |
| Balance at 1 April 2020 | 163.77 | 120.73 | 77.29 | 238.16 | 17.89 | 22.02 | 639.86 |
| Additions | 22.12 | 8.71 | 41.89 | 17.80 | - | 0.56 | 91.08 |
| Reclassification/ adjustments | 43.16 | (14.27) | 5.00 | (10.90) | (16.52) | (6.47) | - |
| **Balance at 31 March 2021** | **229.05** | **115.17** | **124.18** | **245.06** | **1.37** | **16.11** | **730.94** |
| **Accumulated depreciation** | | | | | | | |
| Balance at 1 April 2020 | 78.76 | 31.73 | 41.40 | 158.60 | 4.67 | 6.29 | 321.45 |
| Depreciation for the year | 37.49 | 13.14 | 19.67 | 37.62 | 5.03 | 5.40 | 118.35 |
| Reclassification/ adjustments | 17.82 | (3.32) | 4.52 | (7.69) | (8.60) | (2.73) | - |
| **Balance at 31 March 2021** | **134.07** | **41.55** | **65.59** | **188.53** | **1.10** | **8.96** | **439.80** |
| **Net carrying value at 31 March 2021** | 94.98 | 73.62 | 58.59 | 56.53 | 0.27 | 7.15 | 291.14 |

| Particulars | Leasehold improvements | Furniture and fixtures | Office equipments | Computers | Electrical equipments | Air conditioners | Total |
|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | |
| Balance at 1 April 2021 | 229.05 | 115.17 | 124.18 | 245.06 | 1.37 | 16.11 | 730.94 |
| Additions | - | 0.55 | 4.68 | 48.43 | 1.92 | - | 55.58 |
| Disposals | (0.18) | (2.89) | (31.14) | (4.37) | (0.26) | (1.94) | (40.78) |
| **Balance at 31 March 2022** | **228.87** | **112.83** | **97.72** | **289.12** | **3.03** | **14.17** | **745.74** |
| **Accumulated depreciation** | | | | | | | |
| Balance at 1 April 2021 | 134.07 | 41.55 | 65.59 | 188.53 | 1.10 | 8.96 | 439.80 |
| Depreciation for the year | 41.44 | 10.54 | 25.49 | 36.77 | 0.18 | 2.31 | 116.73 |
| Disposals | (0.18) | (1.63) | (15.48) | (4.00) | (0.20) | (1.79) | (23.28) |
| **Balance at 31 March 2022** | **175.33** | **50.46** | **75.60** | **221.30** | **1.08** | **9.48** | **533.26** |
| **Net carrying value at 31 March 2022** | 53.54 | 62.37 | 22.12 | 67.82 | 1.95 | 4.69 | 212.49 |

| Particulars | Leasehold improvements | Furniture and fixtures | Office equipments | Computers | Electrical equipments | Air conditioners | Total |
|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | |
| Balance at 1 April 2022 | 228.87 | 112.83 | 97.72 | 289.12 | 3.03 | 14.17 | 745.74 |
| Additions through business combinations (Refer note 38) | - | 0.23 | 0.26 | 8.52 | - | - | 9.01 |
| Additions | 39.75 | 0.21 | 11.91 | 102.84 | - | 0.30 | 155.01 |
| Disposals | (11.20) | (3.80) | (46.18) | (95.65) | (0.01) | (0.23) | (157.07) |
| Exchange differences on translation of foreign operations | - | 0.01 | - | 0.08 | - | - | 0.09 |
| Balance at 31 March 2023 | 257.42 | 109.48 | 63.71 | 304.91 | 3.02 | 14.25 | 752.78 |
| Accumulated depreciation | | | | | | | |
| Balance at 1 April 2022 | 175.33 | 50.46 | 75.60 | 221.30 | 1.08 | 9.48 | 533.24 |
| Depreciation for the year | 27.70 | 10.60 | 8.66 | 48.64 | 0.22 | 2.21 | 98.03 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 4 Property, plant and equipment* (Contd..)

| Particulars | Leasehold improvements | Furniture and fixtures | Office equipments | Computers | Electrical equipments | Air conditioners | Total |
|---|---|---|---|---|---|---|---|
| Disposals | (11.20) | (2.91) | (43.42) | (94.75) | (0.01) | (0.22) | (152.51) |
| Exchange differences on translation of foreign operations | - | 0.01 | - | 0.02 | - | - | 0.03 |
| **Balance at 31 March 2023** | **191.83** | **58.16** | **40.84** | **175.22** | **1.29** | **11.47** | **478.79** |
| **Net carrying value at 31 March 2023** | **65.59** | **51.34** | **22.87** | **129.70** | **1.72** | **2.78** | **273.99** |

* All property, plant and equipment are held in the name of the respective companies in the Group (other than properties where the respective companies are the lessee and the lease agreements are duly executed in favour of the lessee)

## 5 (a) Right-of-use assets

| Particulars | Buildings | Total |
|---|---|---|
| **Gross carrying value** | | |
| Balance at 1 April 2020 | 438.37 | 438.37 |
| Additions | 9.30 | 9.30 |
| **Balance at 31 March 2021** | **447.67** | **447.67** |

| Particulars | Buildings | Total |
|---|---|---|
| **Accumulated amortisation** | | |
| Balance at 1 April 2020 | 87.60 | 87.60 |
| Amortisation for the year | 91.60 | 91.60 |
| **Balance at 31 March 2021** | **179.20** | **179.20** |
| **Net carrying value at 31 March 2021** | **268.47** | **268.47** |

| Particulars | Buildings | Total |
|---|---|---|
| **Gross carrying value** | | |
| Balance at 1 April 2021 | 447.67 | 447.67 |
| Additions | 24.36 | 24.36 |
| **Balance at 31 March 2022** | **472.03** | **472.03** |

| Particulars | Buildings | Total |
|---|---|---|
| **Accumulated amortisation** | | |
| Balance at 1 April 2021 | 179.20 | 179.20 |
| Amortisation for the year | 91.95 | 91.95 |
| **Balance at 31 March 2022** | **271.15** | **271.15** |
| **Net carrying value at 31 March 2022** | **200.88** | **200.88** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 5 (a) Right-of-use assets (Contd..)

| Particulars | Buildings | Total |
|---|---|---|
| **Gross carrying value** | | |
| Balance at 1 April 2022 | 472.03 | 472.03 |
| Additions through business combinations (Refer note 38) | 4.34 | 4.34 |
| Additions | 191.71 | 191.71 |
| Modifications/ terminations | (31.27) | (31.27) |
| **Balance at 31 March 2023** | **636.81** | **636.81** |

| Particulars | Buildings | Total |
|---|---|---|
| **Accumulated amortisation** | | |
| Balance at 1 April 2022 | 271.15 | 271.15 |
| Amortisation for the year | 101.94 | 101.94 |
| Modifications/ terminations | (5.18) | (5.18) |
| **Balance at 31 March 2023** | **367.91** | **367.91** |
| **Net carrying value at 31 March 2023** | **268.90** | **268.90** |

Refer note 5(b) regarding accounting of rent concessions due to covid-19 pandemic.

## 5 (b) Lease liabilities

### A The following is the movement of lease liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 274.78 | 353.00 |
| Additions through business combinations (Refer note 38) | 4.34 | - |
| Additions for the year | 177.95 | 23.86 |
| Deletions for the year | (35.76) | - |
| Interest expense for the year | 24.89 | 27.51 |
| Rent concession | - | - |
| Payment (including interest) of lease liabilities | (140.18) | (129.59) |
| **Closing balance** | **306.02** | **274.78** |

### B The following is the break-up of lease liabilities:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Current lease liabilities | 119.12 | 99.58 |
| Non-current lease liabilities | 186.90 | 175.20 |
| **Total** | **306.02** | **274.78** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 5 (b) Lease liabilities (Contd..)

**C The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Less than one year | 138.77 | 120.78 |
| One to five years | 188.45 | 179.09 |
| **Total** | **327.22** | **299.87** |

**D Amount recognised in the restated consolidated statement of profit and loss**

The Group has applied weighted average incremental borrowing rate of 9% per annum for lease liabilities recognised in the restated consolidated statement of assets and liabilities. The Group does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they falls due. The following are the amounts recognised in the restated consolidated statement of profit and loss:

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest on lease liabilities- presented under Finance costs | 24.89 | 27.51 |
| Amortisation of right-of-use assets- presented under depreciation and amortisation expenses | 101.94 | 91.95 |
| Expense relating to short-term leases and low value assets- presented under Other expenses- rent | 12.53 | 22.91 |
| Less: Rent concession due to COVID-19- presented under Other expenses- rent* | - | (6.62) |
| | **139.36** | **135.75** |

During the year ended 31 March 2023 the Group incurred expenses (net of rent concession) amounting to ₹ 12.53 million (31 March 2022: ₹ 16.29 million; 31 March 2021: ₹ 0.12 million) for short-term leases and leases of low-value assets.

For the year ended 31 March 2023, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 152.71 million (31 March 2022: ₹ 145.86 million; 31 March 2021: ₹ 90.27 million) (net of rent concession)).

* The Group has elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per MCA notification dated July 24, 2020 on Ind AS 116 for rent concessions which are granted due to COVID-19 pandemic amounting to ₹ Nil (31 March 2022: ₹ 6.62 million (relating to short term leases), 31 March 2021: ₹ 26.50 million (relating to other than short term leases)).

The Group leases various office buildings. Rental contracts are generally made for fixed periods of 4 months to 9 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security deposits in the leased assets that are held by the lessor.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 6 Goodwill

| Particulars | Note | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| Opening balance | | 409.80 | 409.80 |
| **Addition during the year on account of:** | | | |
| Acquisition of healthcare services business of International Healthcare Management Services Private Limited and Mayfair Consultancy Services India Private Limited | 38 (i) | 4.93 | - |
| Acquisition of Third-party administrator services business of Medvantage Insurance TPA Private Limited | 38 (ii) | 197.35 | - |
| Acquisition of healthcare services business of Mayfair We Care Limited ("Mayfair UK") | 38 (iii) | 138.35 | - |
| Exchange differences on translation of foreign operations | | 3.88 | - |
| **Closing balance** | | **754.31** | **409.80** |

**Impairment testing for goodwill:**

For the purpose of impairment testing, goodwill is allocated to Health benefit administration which is considered as a cash generating unit (CGU).

The recoverable amount of the CGU is based on value in use, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represents management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal source.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Discount rate | 18.04% | 16.30% |
| Terminal growth rate | 5.00% | 4.00% |
| Budgeted EBITDA* growth rate | 25.45% | 18.00% |

* EBITDA refers to Earnings before interest, tax, depreciation and amortisation.

The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections includes specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of long-term compounded annual EBITDA growth rate.

**Budgeted EBITDA has been estimated taking into account past experience derived as follows:**

(i) Revenue growth has been projected taking into account the average growth rate levels experienced over past five years and the estimated sales volume and price growth for the next five year. It has been assumed that the sales price would increase in line with forecast inflation over the next five year.

(ii) Based on the assessment, the Group determined that the estimated recoverable value of the CGU is higher than its carrying value and consequently, the Group has not recorded any impairment loss following the guidance under Ind AS 36 “Impairment of Assets”.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023
*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 7 Other intangible assets

| Particulars | Software | Customer contracts | Customer relationship | Non-compete fees | Total | Intangible assets under development * |
|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | |
| Balance at 1 April 2020 | 374.00 | 20.30 | 297.76 | - | 692.06 | 13.82 |
| Additions | 46.20 | - | - | - | 46.20 | 12.86 |
| Capitalisation of intangible assets under development | - | - | - | - | - | (19.74) |
| Transfer to non-current assets held for sale (Refer note 51) | (16.19) | - | - | - | (16.19) | - |
| **Balance at 31 March 2021** | **404.01** | **20.30** | **297.76** | **-** | **722.07** | **6.94** |
| **Accumulated amortisation** | | | | | | |
| Balance at 1 April 2020 | 285.73 | 4.45 | 105.53 | - | 395.71 | - |
| Amortisation for the year | 74.34 | 2.54 | 29.76 | - | 106.64 | - |
| Transfer to non-current assets held for sale (Refer note 51) | (3.75) | - | - | - | (3.75) | - |
| **Balance at 31 March 2021** | **356.32** | **6.99** | **135.29** | **-** | **498.60** | **-** |
| **Net carrying value at 31 March 2021** | **47.69** | **13.31** | **162.47** | **-** | **223.47** | **6.94** |

| Particulars | Software | Customer contracts | Customer relationship | Non-compete fees | Total | Intangible assets under development * |
|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | |
| Balance at 1 April 2021 | 404.01 | 20.30 | 297.76 | - | 722.07 | 6.94 |
| Additions | 15.74 | - | - | - | 15.74 | 57.67 |
| Disposals | (0.11) | - | - | - | (0.11) | - |
| **Balance at 31 March 2022** | **419.64** | **20.30** | **297.76** | **-** | **737.70** | **64.61** |
| **Accumulated amortisation** | | | | | | |
| Balance at 1 April 2021 | 356.32 | 6.99 | 135.29 | - | 498.60 | - |
| Amortisation for the year | 43.31 | 2.54 | 29.55 | - | 75.40 | - |
| Disposals | (0.11) | - | - | - | (0.11) | - |
| **Balance at 31 March 2022** | **399.52** | **9.53** | **164.84** | **-** | **573.89** | **-** |
| **Net carrying value at 31 March 2022** | **20.12** | **10.77** | **132.92** | **-** | **163.81** | **64.61** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 7 Other intangible assets (Contd..)

| Particulars | Software | Customer contracts | Customer relationship | Non-compete fees | Total | Intangible assets under development * |
|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | |
| Balance at 1 April 2022 | 419.64 | 20.30 | 297.76 | - | 737.70 | 64.61 |
| Additions through business combinations (Refer note 38) | 0.54 | - | 143.77 | 1.10 | 145.41 | - |
| Additions | 174.29 | - | - | - | 174.29 | 82.18 |
| Capitalisation of intangible assets under development | - | - | - | - | - | (146.79) |
| Disposals | (13.62) | - | - | - | (13.62) | - |
| Exchange differences on translation of foreign operations | 0.01 | - | 1.97 | - | 1.98 | - |
| **Balance at 31 March 2023** | **580.86** | **20.30** | **443.50** | **1.10** | **1,045.76** | **-** |
| **Accumulated amortisation** | | | | | | |
| Balance at 1 April 2022 | 399.52 | 9.53 | 164.84 | - | 573.89 | - |
| Amortisation for the year | 29.78 | 2.53 | 35.34 | 0.07 | 67.72 | - |
| Disposals | (13.61) | - | - | - | (13.61) | - |
| Exchange differences on translation of foreign operations | - | - | 0.06 | - | 0.06 | - |
| **Balance at 31 March 2023** | **415.69** | **12.06** | **200.24** | **0.07** | **628.06** | **-** |
| **Net carrying value at 31 March 2023** | **165.17** | **8.24** | **243.26** | **1.03** | **417.70** | **-** |

* Intangible assets under development are based on internal technical feasibility study carried out by management with the intention to complete the self generated intangible assets. Management has assessed that such intangible assets will generate future economic benefits for the Group and therefore meet the capitalisation criteria in accordance with Ind AS 38 - Intangible assets.

**Intangible assets under development ageing schedule**

**As at 31 March 2023**

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |

**As at 31 March 2022**

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | 57.67 | - | 6.94 | - | 64.61 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **57.67** | **-** | **-** | **-** | **64.61** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023
*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 7 Other intangible assets (Contd..)

**As at 31 March 2021**

| Particulars | Amount in Intangible assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | - | 6.94 | - | - | 6.94 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **-** | **6.94** | **-** | **-** | **6.94** |

There were no projects as intangible assets under development as at the respective year end whose completion was overdue or cost of which had exceeded in comparison to its original plan.

## 8 Non-current financial assets

**8 (a) Investments**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Investments in equity shares designated at Fair Value through Other Comprehensive Income (FVOCI)# | | |
| **(i) Quoted** | | |
| 124,992 (31 March 2022: 124,992 ; 31 March 2021: 124,992) equity shares of ₹ 5 each, of The New India Assurance Company Limited | 12.16 | 13.96 |
| **(ii) Unquoted** | | |
| 13,719 (31 March 2022: 13,719; 31 March 2021: 13,719) equity shares of Re. 1 each, fully paid up of Healthvista India Private Limited* | - | 54.93 |
| 5,000 (31 March 2022: 5,000; 31 March 2021: 5,000) equity shares of ₹ 100 each, fully paid up of Swasth Digital Health Foundation | 0.50 | 0.50 |
| | **12.66** | **69.39** |
| Aggregate book value of quoted investments and market value thereof | 12.16 | 13.96 |
| Aggregate value of unquoted investments | 0.50 | 55.43 |

* During the year ended 31 March 2023, management has carried out a detailed assessment on the performance of Healthvista India Private Limited and basis such assessment (considering the erosion of net worth, past losses and low likelihood of future profits), management has determined the fair value of such investment to be ₹ nil.

# The Group designated these investments as equity instruments at FVOCI because these equity securities represent investments that the Group intends to hold for the long-term for strategic purposes.

Also refer note 33 for disclosure relating to fair values and financial risk management.

**8 (b) Other financial assets**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **At amortised cost** | | |
| **Unsecured, considered good** | | |
| Security deposits | 67.33 | 39.86 |
| Earnest money deposits ("EMD") | 4.80 | 6.85 |
| Deposits with remaining maturity of more than 12 months* | 44.15 | 12.09 |
| Interest accrued but not due on deposits | 0.28 | 0.13 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 8 Non-current financial assets (Contd..)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Credit impaired** | | |
| Security deposits | 1.85 | - |
| Less: Provision for doubtful security deposits | (1.85) | - |
| | **116.56** | **58.93** |

* Includes bank deposits of ₹ Nil (31 March 2022: ₹ Nil; 31 March 2021: ₹ 0.62 million) placed with banks against which bank guarantees have been issued to customers.

Also refer note 33 for disclosure relating to fair values and financial risk management.

## 9 Income tax assets (net)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Advance tax, net of provision | 661.79 | 492.47 |
| | **661.79** | **492.47** |

## 10 Deferred taxes

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Deferred tax assets** | | |
| Provision for employee benefits | 51.11 | 39.92 |
| Lease liabilities | 77.02 | 69.16 |
| Allowance for expected credit losses on trade receivables and other receivables | 49.77 | 62.44 |
| Security deposits | 3.29 | 0.78 |
| Other financial assets | - | - |
| Accrued expenses | 11.21 | 11.22 |
| **Total deferred tax assets** | **192.40** | **183.52** |
| **Deferred tax liabilities** | | |
| Property, plant and equipment and intangible assets | (64.59) | (29.14) |
| Right-of-use assets | (67.67) | (50.55) |
| Other financial assets | (1.32) | (8.64) |
| **Total deferred tax liabilities** | **(133.58)** | **(88.33)** |
| | **58.82** | **95.19** |
| **Reflected in Annexure I - Restated Consolidated Statement of Assets and Liabilities** | | |
| Deferred tax assets (net) | 91.30 | 95.19 |
| Deferred tax liabilities (net) | 32.48 | - |
| | **58.82** | **95.19** |

Refer note 36 for movement in deferred taxes.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 11 Other non-current assets

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Prepaid expenses | 6.96 | 5.78 |
| Balance with government authorities | 7.05 | - |
| Capital advances | 24.59 | 0.78 |
| | **38.60** | **6.56** |

## 12 Current - financial assets

### 12 (a) Investments

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(i) Mutual funds at fair value through profit and loss (unquoted)** | | |
| Investments in mutual funds | 427.31 | 1,895.04 |
| **(ii) Advance given for business acquisition -At cost (refer note 38 (ii))** | - | 50.00 |
| | **427.31** | **1,945.04** |
| **Aggregate amount of unquoted investments** | **427.31** | **1,895.04** |

Also refer note 33 for disclosure relating to fair values and financial risk management.

### 12 (b) Trade receivables

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **At amortised cost** | | |
| Considered good - Unsecured | 450.32 | 470.14 |
| Credit impaired | 148.10 | 207.49 |
| **Total receivables** | **598.42** | **677.63** |
| Less: Allowance for expected credit losses | (148.10) | (207.49) |
| **Total (A)** | **450.32** | **470.14** |
| **Unbilled receivables** | | |
| Considered good - Unsecured | 821.25 | 717.56 |
| Credit impaired | 8.02 | 8.38 |
| **Total unbilled receivables** | **829.27** | **725.94** |
| Less: Allowance for expected credit losses | (8.02) | (8.38) |
| **Total (B)** | **821.25** | **717.56** |
| **Total (A+B)** | **1,271.57** | **1,187.70** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 12 Current - financial assets (Contd..)

**Trade receivables ageing:**

**As at 31 March 2023**

| Particulars | Outstanding for followiug periods from due date of payment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Undisputed trade receivable - considered good | 821.25 | 36.79 | 323.77 | 66.93 | 0.23 | 3.07 | 19.53 | 1,271.57 |
| Undisputed trade receivable - credit impaired | 8.02 | - | 2.41 | 26.04 | 27.42 | 9.82 | 82.41 | 156.12 |
| Disputed trade receivable - considered good | - | - | - | - | - | - | - | - |
| Disputed trade receivable - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed trade receivable - credit impaired | - | - | - | - | - | - | - | - |
| **Total** | **829.27** | **36.79** | **326.18** | **92.97** | **27.65** | **12.89** | **101.94** | **1,427.69** |
| Loss allowance | | | | | | | | (156.12) |
| **Total** | | | | | | | | **1,271.57** |

**As at 31 March 2022**

| Particulars | Outstanding for followiug periods from due date of payment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Undisputed trade receivable - considered good | 717.56 | 97.17 | 252.96 | 84.27 | 17.21 | 10.89 | 7.64 | 1,187.70 |
| Undisputed trade receivable - credit impaired | 8.38 | - | 12.29 | 8.21 | 18.75 | 33.29 | 134.95 | 215.87 |
| Disputed trade receivable - considered good | - | - | - | - | - | - | - | - |
| Disputed trade receivable - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed trade receivable - credit impaired | - | - | - | - | - | - | - | - |
| **Total** | **725.94** | **97.17** | **265.25** | **92.48** | **35.96** | **44.18** | **142.59** | **1,403.57** |
| Loss allowance | | | | | | | | (215.87) |
| **Total** | | | | | | | | **1,187.70** |

**As at 31 March 2021**

| Particulars | Outstanding for followiug periods from due date of payment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Undisputed trade receivable - considered good | 729.01 | 198.58 | 147.84 | 23.56 | 31.58 | 26.27 | 5.78 | 1,162.62 |
| Undisputed trade receivable - credit impaired | 42.75 | - | 3.92 | 35.57 | 46.74 | 91.79 | 104.98 | 325.75 |
| Disputed trade receivable - considered good | - | - | - | - | - | - | - | - |
| Disputed trade receivable - which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| Disputed trade receivable - credit impaired | - | - | - | - | - | - | - | - |
| **Total** | **771.76** | **198.58** | **151.76** | **59.13** | **78.32** | **118.06** | **110.76** | **1,488.37** |
| Loss allowance | | | | | | | | (325.75) |
| **Total** | | | | | | | | **1,162.62** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 12 Current - financial assets (Contd..)

Set out below is the movement in the allowance for expected credit losses on trade receivables:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 215.87 | 325.75 |
| Additions through business combinations | 4.05 | - |
| Allowance for expected credit losses on trade receivables | 17.04 | (11.31) |
| Bad debts written off | (80.84) | (98.57) |
| **Closing balance** | **156.12** | **215.87** |

The Group does not charge any interest on overdue payments. Further, the average credit period ranges up to 120 days.

No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

Also refer note 33 for disclosure relating to fair values and financial risk management and note 43 for trade receivables from related parties.

### 12 (c) Cash and cash equivalents

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| At amortised cost | | |
| Cash on hand | 6.96 | 0.26 |
| Balances with banks | | |
| In current accounts | 506.48 | 145.69 |
| In deposits with original maturity of less than three months * | 26.00 | - |
| | **539.44** | **145.95** |

* Includes bank deposits of ₹ Nil (31 March 2022: ₹ Nil; 31 March 2021: ₹ 0.54 million) placed with banks against which bank guarantees have been issued to insurance companies.

Also refer note 33 for disclosure relating to fair values and financial risk management.

### 12 (d) Bank balances other than cash and cash equivalents above

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **At amortised cost** | | |
| Deposits with original maturity of more than three months but less than twelve months * | 717.10 | 478.15 |
| Deposits with original maturity of less than three months** | 836.00 | - |
| | | |
| Balances with banks | | |
| Balances with self funded schemes*** | 22.62 | 1.23 |
| | **1,575.72** | **479.38** |

* The above includes bank deposits of ₹ 99.17 million (31 March 2022: ₹ 1.50 million; 31 March 2021: ₹ 3.76 million) which are under lien with banks towards bank guarantees issued to insurance companies and lien against corporate credit cards and also includes bank deposits of ₹ Nil (31 March 2022: Rs 22.18 million, 31 March 2021: ₹ 229.14 million), which are under lien with bank towards overdraft facility availed by the Company.

** Represents bank deposits (linked to Escrow account) with a schedule bank towards money earmarked for a proposed acquisition (refer note 48(i)). The interest accrued on the same will be to the exclusive benefit of the Group.

*** Balances with self funded schemes represent funds received from corporates for the purpose of providing health benefit services to their employees.

Also refer note 33 for disclosure relating to fair values and financial risk management.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 12 Current - financial assets (Contd..)

### 12 (e) Other financial assets

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **At amortised cost** | | |
| Unsecured, considered good | | |
| Security deposits | 16.77 | 30.36 |
| Earnest money deposits | 13.85 | 6.73 |
| Accrued interest | 6.05 | 3.50 |
| Other receivables * | 245.27 | 183.64 |
| **Credit impaired** | | |
| Inter-corporate deposits ** | - | - |
| Less: Allowance for doubtful deposits | - | - |
| Interest accrued but not due on inter corporate deposits | - | - |
| Less: Allowance for interest accrued on inter corporate deposits | - | - |
| Security deposits | 0.15 | 0.08 |
| Less: Allowance for doubtful deposits | (0.15) | (0.08) |
| Other receivables | 16.15 | 16.15 |
| Less: Allowance for doubtful receivables | (16.15) | (16.15) |
| | **281.94** | **224.23** |

* Refer note 43 for other receivables from related parties.

** Represents inter-corporate deposits provided to a Company. The term of the ICD is 60 months from the date of disbursement and carries an interest of 8%, payable on maturity at 30 August 2021.

Also refer note 33 for disclosure relating to fair values and financial risk management.

## 13 Other current assets

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Balances with government authorities | 153.91 | 154.59 |
| Advances to suppliers | 105.78 | 87.51 |
| Prepaid expenses | 55.48 | 17.91 |
| Other advances | 10.20 | 5.86 |
| **Credit impaired** | | |
| Advances to suppliers | 29.58 | 16.14 |
| Less: Allowance for doubtful advances | (29.58) | (16.14) |
| | **325.37** | **265.87** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 14 Equity share capital

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Authorised share capital:*** | | |
| 90,700,000 (31 March 2022: 90,700,000; 31 March 2021: 45,350,000) equity shares of Rs 5 (31 March 2022: Rs 5; 31 March 2021: Rs 10) each | 453.50 | 453.50 |
| | **453.50** | **453.50** |
| **Issued, subscribed and paid-up capital:** | | |
| 68,859,212 (31 March 2022: 68,859,212; 31 March 2021: 37,181) equity shares of Rs 5 (31 March 2022: Rs 5; 31 March 2021: Rs 10) each | 344.30 | 344.30 |
| | **344.30** | **344.30** |

* Pursuant to a resolution passed by the Shareholders of the Company on 15 March 2021 through extra-ordinary general meeting, the authorised share capital of the Company of ₹ 453.50 million divided into 45,200,000 Equity Shares of ₹ 10 each, 140,000 Preference Shares of ₹ 10 each and 5 Series A Compulsorily Convertible Preference Shares of Rs 20,000 each, were reclassified to ₹ 453.50 million divided into 45,350,000 Equity Shares of ₹ 10 each. Further, pursuant to a resolution passed by the Shareholders of the Company on 7 April 2021 through extra-ordinary general meeting, the authorised share capital of the Company of ₹ 453.50 million comprising of 45,350,000 Equity Shares of ₹ 10 each were sub-divided to ₹ 453.50 million comprising of 90,700,000 Equity Shares of ₹ 5 each.

### a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Equity shares** | | | | |
| Balance at the beginning of the year | 6,88,59,212 | 344.30 | 37,181 | 0.37 |
| Shares issued during the year* | - | - | - | - |
| Sub-division of shares during the year from ₹10 to ₹5 each** | - | - | 37,181 | - |
| Bonus shares issued during the year** | - | - | 6,87,84,850 | 343.93 |
| **Balance at the end of the year** | **6,88,59,212** | **344.30** | **6,88,59,212** | **344.30** |

* Pursuant to a resolution passed by Board of Directors of the Company on 4 March 2021, Company has converted 9,175 Redeemable Preference Shares into 9,175 Series B Compulsorily Convertible Preference Shares ("Series B CCPS") and then extinguished the above 9,175 Series B CCPS of Rs 10 each by issue of 1,099 Equity Shares of ₹ 10 each at a premium effective 5 March 2021.

** Pursuant to a resolution passed by the Shareholders on 7 April 2021 and subsequent allotment on 9 April 2021, the Company has sub-divided the face value of its equity shares from Rs 10 each to Rs 5 each. Further, the Company has allotted 68,784,850 equity shares of face value of ₹ 5 each by way of bonus issue to its shareholders and consequently the paid-up share capital of the Company has been increased to 68,859,212 equity shares of face value of Rs 5 each. The Board has also authorised for appropriate adjustments on allotment of share split and bonus shares to the outstanding options granted to the employees under the ESOP scheme. Securities premium of ₹ 343.93 million was utilised for issue of bonus shares.

### b) Term/rights attached to the equity shares:

The Company has single a class of equity shares having a par value of ₹ 5 each. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sum presently payable has not been paid. Failure to pay any amount called up on shares may lead to forfeiture of shares.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 14 Equity share capital (Contd..)

**c) List of shareholders holding more than 5% shares of a class of shares**

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Number of shares | % of Holding | Number of shares | % of Holding |
| **Equity shares of Rs 5 (31 March 2022: Rs 5; 31 March 2021: Rs10) each fully paid up held by** | | | | |
| Medimatter Health Management Private Limited | 1,87,03,348 | 27.16% | 1,87,03,348 | 27.16% |
| Bessemer Health Capital LLC | 66,06,084 | 9.59% | 66,06,084 | 9.59% |
| IDFC Trustee Co. Ltd A/C IDFC Infrastructure Fund 3 A/C IDFC Private Equity Fund III | 1,49,10,452 | 21.65% | 1,49,10,452 | 21.65% |
| Bessemer India Capital Holdings II Limited | 2,47,31,608 | 35.92% | 2,47,31,608 | 35.92% |

d) As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**e) Shares reserved for issue under employee stock option scheme**

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Number of options | Amount | Number of options | Amount |
| Outstanding options | 25,38,886 | 12.69 | 23,40,928 | 11.70 |

Refer note 32(a) for ESOP scheme details.

f) The Company has not bought back any class of equity shares during the period of five year immediately preceding the balance sheet date.

g) Aggregate number of equity shares issued as bonus during the period of five years immediately preceeding the reporting date

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Equity shares allotted as fully paid bonus by capitalisation of securities premium | 6,87,84,850 | 6,87,84,850 |

**h) Details of equity shares of ₹ 5 (31 March 2022: Rs 5; 31 March 2021: Rs10) each fully paid up) held by promoters**

**As at 31 March 2023**

| Promoter name | No of shares at the beginning of the year | Change during the year | No of shares at the end of the year | % of total shares | % Change during the year |
|---|---|---|---|---|---|
| Dr Vikram Jit Singh Chhatwal | 25,39,092 | - | 25,39,092 | 3.69% | - |
| Medimatter Health Management Private Limited | 1,87,03,348 | - | 1,87,03,348 | 27.16% | |
| Medimatter Health Management Private Limited jointly with Dr. Vikram Jit Singh Chhatwal | 5,37,080 | - | 5,37,080 | 0.78% | |
| Bessemer India Capital Holdings II Limited | 2,47,31,608 | - | 2,47,31,608 | 35.92% | |
| **Total** | **4,65,11,128** | **-** | **4,65,11,128** | **67.55%** | **-** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 14 Equity share capital (Contd..)

**As at 31 March 2022**

| Promoter name | No of shares at the beginning of the year | Change during the year | No of shares at the end of the year | % of total shares | % Change during the year |
|---|---|---|---|---|---|
| Dr Vikram Jit Singh Chhatwal | 1,371 | 25,37,721 | 25,39,092 | 3.69% | - |
| Medimatter Health Management Private Limited | 10,099 | 1,86,93,249 | 1,87,03,348 | 27.16% | |
| Medimatter Health Management Private Limited jointly with Dr. Vikram Jit Singh Chhatwal | 290 | 5,36,790 | 5,37,080 | 0.78% | |
| Bessemer India Capital Holdings II Limited | 13,354 | 2,47,18,254 | 2,47,31,608 | 35.92% | |
| **Total** | **25,114** | **4,64,86,014** | **4,65,11,128** | **67.55%** | **-** |

* 'Pursuant to a resolution passed by the Shareholders on 7 April 2021 and subsequent allotment on 9 April 2021, the Company has sub-divided the face value of its equity shares from Rs 10 each to Rs 5 each. Further, the Company has allotted equity shares of face value of ₹ 5 each by way of bonus issue to its shareholders.

**As at 31 March 2021**

| Promoter name | No of shares at the beginning of the year | Change during the year | No of shares at the end of the year | % of total shares | % Change during the year |
|---|---|---|---|---|---|
| Dr Vikram Jit Singh Chhatwal | 1,371 | - | 1,371 | 3.69% | - |
| Medimatter Health Management Private Limited | 10,099 | - | 10,099 | 27.16% | |
| Medimatter Health Management Private Limited jointly with Dr. Vikram Jit Singh Chhatwal | 290 | - | 290 | 0.78% | |
| Bessemer India Capital Holdings II Limited | 13,354 | - | 13,354 | 35.92% | |
| **Total** | **25,114** | **-** | **25,114** | **67.55%** | **-** |

## 15 Other equity

| Particulars | Note | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **Employee stock option reserve** | | | |
| Balance at the beginning of the year | | 78.85 | 55.75 |
| Employee stock option compensation cost (net) (Refer Note 32(a)) | | 32.78 | 23.10 |
| Transfer on account of forfeiture of ESOP option | | (0.38) | - |
| **Balance at the end of the year** | (i) | **111.25** | **78.85** |
| **Securities premium** | | | |
| Balance at the beginning of the year | | 745.86 | 1,089.79 |
| Premium on issue of equity shares (Refer Note 14(a)) | | - | - |
| Utilisation of securities premium on issue of bonus shares (Refer Note 14(a)) | | - | (343.93) |
| **Balance at the end of the year** | (ii) | **745.86** | **745.86** |
| **General reserve** | | | |
| Balance at the beginning of the year | | 1.36 | 1.36 |
| Transfer of debenture redemption reserve | | - | - |
| **Balance at the end of the year** | (iii) | **1.36** | **1.36** |
| **Debenture redemption reserve** | | | |
| Balance at the beginning of the year | | - | - |
| Transfer of debenture redemption reserve | | - | - |
| **Balance at the end of the year** | (iv) | **-** | **-** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 15 Other equity (Contd..)

| Particulars | Note | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **Demerger deficit balance** | | | |
| Balance at the beginning of the year | | (370.18) | (370.18) |
| Movement during the year | | - | - |
| **Balance at the end of the year** | (v) | **(370.18)** | **(370.18)** |
| **Other equity** | | | |
| Balance at the beginning of the year | | 369.85 | 369.85 |
| Put option liability over NCI  (Refer Note 38(iii)) | | (67.74) | - |
| **Balance at the end of the year** | (vi) | **302.11** | **369.85** |
| **Retained earnings** | | | |
| Balance at the beginning of the year | | 2,260.55 | 1,811.52 |
| Total comprehensive income for the year | | 737.05 | 621.18 |
| Transfer on account of forfeiture of ESOP option | | 0.38 | - |
| Employee stock option settlement (Refer note 32(c)) | | (119.69) | - |
| Dividend paid* | | (130.14) | (172.15) |
| **Balance at the end of the year** | (vii) | **2,748.15** | **2,260.55** |
| **Foreign currency translation reserve** | | | |
| Balance at the beginning of the year | | - | - |
| Movement during the year | | 4.06 | - |
| **Balance at the end of the year** | (viii) | **4.06** | **-** |
| **Equity instruments throgh OCI** | | | |
| Balance at the beginning of the year | | (59.30) | (54.58) |
| Movement during the year | | (61.50) | (4.72) |
| **Balance at the end of the year** | (ix) | **(120.80)** | **(59.30)** |
| **Total** | | **3,421.81** | **3,026.99** |

***Details of dividend proposed and paid during the year**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Dividends on equity shares declared and paid:** | 130.14 | 172.15 |
| Final dividend for the year ended 31 March, 2022: Rs 1.89 per share (31 March, 2021: Rs 2.50 per share) @ | **130.14** | **172.15** |
| **Proposed dividends on Equity shares:** | 130.14 | 130.14 |
| Proposed dividend for the year ended 31 March, 2023: Rs 1.89 per share (31 March, 2022: Rs 1.89 per share, 31 March, 2021: Rs 2.50 per share) # | **130.14** | **130.14** |

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

@ During the F.Y. 22-23, the Company has paid final dividend of F.Y. 21-22 at the rate of 37.80% [i.e. ₹1.89/- (Rupees One rupee and paise eighty nine only)] per Equity Share of face value of ₹ 5/- (Rupees Five Only).

During the F.Y. 21-22, the Company has paid final dividend of F.Y. 20-21 at the rate of 50.00% [i.e. ₹2.50/- (Rupees Two rupee and paise fifty only)] per Equity Share of face value of ₹ 5/- (Rupees Five Only).

# On 21 July 2023, the Company has proposed final dividend for the F.Y. 22-23 in its Board of Directors Meeting at the rate of 37.80% [i.e. ₹1.89/- (Rupees One rupee and paise eighty nine only)] per Equity Share of face value of ₹ 5/- (Rupees Five Only).

On 23 September 2022, the Company has proposed final dividend for the F.Y. 21-22 in its Board of Directors Meeting at the rate of 37.80% [i.e. ₹1.89/- (Rupees One rupee and paise eighty nine only)] per Equity Share of face value of ₹ 5/- (Rupees Five Only).

On 23 November 2021, the Company has proposed final dividend for the F.Y. 20-21 in its Board of Directors Meeting at the rate of 50.00% [i.e. ₹2.50/- (Rupees Two rupee and paise fifty only)] per Equity Share of face value of ₹ 5/- (Rupees Five Only).

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 15 Other equity (Contd..)

**S.No Nature and purpose of reserves**

**(i) Employee stock option reserve**

Equity stock option reserve is used to recognise the grant date fair value of equity-settled share-based payments provided to employees. For further details refer note 32 for Employee stock option schemes.

**(ii) Securities premium**

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

**(iii) General reserve**

The balance in general reserve has arisen on account of transfer of debenture redemption reserve.

**(iv) Debenture redemption reserve**

The Company has issued debentures in India and as per the provisions of Companies Act, 2013, was required to create debenture redemption reserve out of the profits of the Company available for payment of dividend.

**(v) Demerger deficit balance**

The reserve arising on account of demerger of consumer health business division during 2019-20 as per Sections 230 to 232 and Section 66 of the Companies Act, 2013.

**(vi) Other equity**

Preference shares and debentures were initially recognised as financial liabilities is in accordance with the nature of the instrument at fair value. The difference between fair value and transaction price was accounted under other equity. In addition, put option liability over NCI of a subsidiary was initially recognised as a financial liability with a corresponding adjustment in other equity.

**(vii) Retained earnings**

Retained earnings are the profits that the Group has earned till date less dividends or other distributions to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to restated consolidated statement of profit and loss. Retained earnings is a free reserve available to the Group.

**(viii) Foreign currency translation reserve ("FCTR")**

Exchange differences relating to the translation of the results and net assets of the Group’s foreign operations from their respective functional currencies to the Group’s functional and presentation currency are recognised directly in OCI and accumulated in the Foreign currency translation reserve. When a foreign operation is disposed off, the relevant amount recognised in FCTR is transferred to the consolidated profit or loss as part of the profit or loss on disposal.

**(ix) Equity instruments through OCI**

The Group has elected to recognise the changes in fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within equity instruments through OCI within equity. The Group transfers amount to retained earnings when the relevant equity securities are de-recognised.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 15 Other equity (Contd..)

**15 (a) Non-controlling interests ('NCI')**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Opening balance | 21.57 | 21.57 |
| NCI on acquisition of subsidiaries (Refer note 38 (iii)) | 68.10 | - |
| Add- Share in Profit/(Loss) | (0.17) | - |
| Add- Exchange differences on translation of foreign operations | 2.68 | - |
| Less- Employee stock option settlement * | (21.57) | - |
| **Closing balance** | **70.61** | **21.57** |

* The employee stock option reserve of Medi Assist Insurance TPA Private Limited, a wholly owned subsidiary of the Company, representing the ESOPs granted to counterparty not forming part of the consolidated reporting entity were classified and presented as NCI upto 31 March 2022. These ESOPs have not been exercised and have been settled during the year ended 31 March 2023 (Refer note 32 (c)).

Refer note 40 for details of material partly-owned subsidiaries

## 16 Non-current financial liabilities

**16 (a) Other financial liabilities**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Put option liability over NCI (Refer note 38 (iii)) | 73.36 | - |
| | **73.36** | **-** |

Also refer note 33 for disclosure relating to fair values and financial risk management.

## 17 Provisions (non-current)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Provision for employee benefits:** | | |
| Gratuity* | 142.34 | 112.21 |
| | **142.34** | **112.21** |

*Refer Note 31(b).

## 18 Current financial liabilities

**18 (a) Borrowings**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Unsecured** | | |
| Short term borrowings - others* | 0.77 | - |
| | **0.77** | **-** |

* The above loan is repayable on demand.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 18 Current financial liabilities (Contd..)

**18 (b) Trade payables**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Total outstanding dues of micro and small enterprises (refer note 44) | 68.62 | 32.32 |
| Total outstanding dues of creditors other than micro and small enterprises | 295.66 | 257.88 |
| | **364.28** | **290.20** |

**Trade payables ageing:**

**As at 31 March 2023**

| Particulars | Unbilled | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | 17.75 | 4.36 | 45.40 | 1.11 | - | - | 68.62 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 167.58 | 71.50 | 30.31 | 19.22 | 4.13 | 2.92 | 295.66 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| **Total** | **185.33** | **75.86** | **75.71** | **20.33** | **4.13** | **2.92** | **364.28** |

**As at 31 March 2022**

| Particulars | Unbilled | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | 8.95 | 9.80 | 10.33 | 2.56 | 0.68 | - | 32.32 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 150.01 | 60.43 | 42.68 | 1.85 | 0.27 | 2.64 | 257.88 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| **Total** | **158.96** | **70.23** | **53.01** | **4.41** | **0.95** | **2.64** | **290.20** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 18 Current financial liabilities (Contd..)

**As at 31 March 2021**

| Particulars | Unbilled | Not due | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | 1.11 | 8.10 | 14.39 | 4.50 | - | 3.01 | 31.11 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 193.66 | - | 75.78 | 0.55 | - | 39.24 | 309.23 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - |
| **Total** | **194.77** | **8.10** | **90.17** | **5.05** | **-** | **42.25** | **340.34** |

Trade payables (other than outstanding dues of micro and small enterprises) are non interest bearing and are usually settled within 70 - 100 days.

Refer note 43 for trade payables to related parties, Also refer note 33 for disclosure relating to fair values and financial risk management.

### 18 (c) Other financial liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Employee benefits payable* | 107.52 | 61.84 |
| Liabilities towards employee stock option (refer note 32(c)) | 141.26 | - |
| Advance received* | - | - |
| Creditors for capital goods** | 11.97 | - |
| Other payables* | 89.93 | 71.10 |
| | **350.68** | **132.94** |

* Refer note 43 for payables to related parties .

** Includes dues of micro, small and medium enterprises amounting to ₹ Nil (31 March 2022: ₹ Nil; 31 March 2021: ₹ 0.29 million). Refer Note 44.

Also refer note 33 for disclosure relating to fair values and financial risk management.

## 19 (a) Contract liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Contract liabilities (refer note 22(B)) | 1,713.40 | 1,536.96 |
| | **1,713.40** | **1,536.96** |

The contract liabilities primarily relate to billings in excess of revenues. The billing schedules agreed with customers could include periodic performance-based payments. Invoices are payable within contractually agreed credit period.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 19 (b) Other current liabilities

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Statutory liabilities* | 115.74 | 216.13 |
| | **115.74** | **216.13** |

*includes statutory dues with respect to GST, witholding taxes, provident fund etc.

## 20 Provisions (current)

| Particulars | | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **Provision for employee benefits:** | | | |
| **Gratuity*** | | 56.63 | 40.62 |
| Employee compensated absences | | 8.26 | 5.82 |
| | **(A)** | **64.89** | **46.44** |
| **Provision for claims disallowed:** | | | |
| Balance at the beginning of the year | | 19.78 | 18.78 |
| Provision created during the year | | 74.56 | 55.68 |
| Reversed/ Utilised during the year | | (69.83) | (54.68) |
| Balance at the end of the year | **(B)** | **24.51** | **19.78** |
| **Provision for medical expenses:** | | | |
| Provision for medical expenses | **(C)** | **31.54** | **-** |
| | **(A+B+C)** | **120.94** | **66.22** |

*Refer Note 31(b).

## 21 Current tax liabilities (net)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Current tax liabilities (net) | 0.43 | - |
| | **0.43** | **-** |

## 22 Revenue from contracts with customers:

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Sale of services:** | | |
| Income from Third Party Administration (TPA) services | 4,863.79 | 3,853.77 |
| Income from health management services | 126.56 | 43.99 |
| Income from license fee | 33.40 | 0.44 |
| **Other operating revenues:** | | |
| Business support services * | 25.59 | 39.90 |
| **Total** | **5,049.34** | **3,938.10** |

* Refer note 43 for transactions with related parties.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 22 Revenue from contracts with customers: (Contd..)

**(A) Disaggregated revenue information**

The table below presents disaggregated revenues from contracts with customers for the below years by types of services, contract counterparties, timing of revenue recognition and primary geographical market. The Group believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are effected by industry, market and other economic factors.

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Types of services** | | |
| Income from TPA services | 4,863.79 | 3,853.77 |
| Income from health management services | 126.56 | 43.99 |
| Income from license fee | 33.40 | 0.44 |
| Business support services | 25.59 | 39.90 |
| | **5,049.34** | **3,938.10** |
| **Contract counterparties** | | |
| Government customers | 536.19 | 471.15 |
| Others | 4,513.15 | 3,466.95 |
| | **5,049.34** | **3,938.10** |
| **Timing of revenue recognition** | | |
| Services rendered at a point in time | 126.56 | 43.99 |
| Services rendered over a period of time | 4,922.78 | 3,894.11 |
| | **5,049.34** | **3,938.10** |
| **Primary geographical market** | | |
| India | 4,954.41 | 3,938.10 |
| Outside india | 94.93 | - |
| | **5,049.34** | **3,938.10** |

**(B) Contract balances**

**(i) The following table provides information about receivables, contract assets and contract liabilities from contract with customers.**

| Particulars | Note | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| **Trade receivables** | 12 (b) | 1,271.57 | 1,187.70 |
| Contract liabilities | 19 (a) | 1,713.40 | 1,536.96 |

**(ii) Significant changes in the contract liabilities balances during the year are as follows:**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Movement in contract liabilities: | | |
| Opening balance | 1,536.96 | 1,221.96 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | (1,536.96) | (1,221.96) |
| Additions through business combinations (Refer note 38) | (50.80) | - |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 22 Revenue from contracts with customers: (Contd..)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Revenue recognised that was included in the contract liability acquired through buisness combination | 50.80 | - |
| Increase due to invoicing during the year (excluding amounts recognised as revenue) during the year | 1,713.40 | 1,536.96 |
| **Closing balance** | **1,713.40** | **1,536.96** |

### (C) Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Within 1 year | 1,713.40 | 1,535.32 |
| 1-3 years | - | 1.64 |
| More than 3 years | - | - |
| | **1,713.40** | **1,536.96** |

## 23 Other income

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Other non-operating income** | | |
| **Interest income under the effective interest method on:** | | |
| Term deposits and loans at amortised cost | 38.11 | 28.51 |
| Other financial assets at amortised cost | 2.57 | 2.78 |
| Others* | - | - |
| **Intereest on income tax refund** | 1.00 | - |
| Net gain on financial assets measured at fair value through profit or loss | 12.56 | 46.34 |
| Profit on sale of investments in mutual funds | 60.20 | 12.35 |
| Profit on sale of platform business** | - | 69.70 |
| Creditors/Provisions no longer payable written back | 12.44 | 11.52 |
| Gain on modification of lease contract | 10.33 | - |
| Profit on sale of non-current investments *** | - | - |
| Miscellaneous income | 3.00 | 10.93 |
| | **140.21** | **182.13** |

* Refer note 43 for transactions with related parties.

** On 7 December 2020, the Board of Directors of the Group granted in-principle approval for sale of IHX platform (included under other intangible assets) and consequently, pursuant to the requirements of Ind AS 105 - Non Current Assets held for Sale and Discontinued Operations, the Holding Company has classified the assets as at 31 March 2021 as Non-current assets classified as held for sale which was sold off during the year ended March 31, 2022.

*** Pertains to profit on sale of non-current investments in preference shares of API Holdings Private Limited (formerly known as 91 Street Media Private Limited).

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 24 Employee benefits expense

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Salaries, bonus and allowances | 1,759.07 | 1,354.71 |
| Contribution to provident and other funds (Refer note 31 (a)) | 91.36 | 102.96 |
| Gratuity (Refer note 31(b)) | 33.93 | 27.39 |
| Employee stock option compensation expense (Refer note 32 (a)) | 32.78 | 23.10 |
| Staff welfare expenses | 59.79 | 48.63 |
| | **1,976.93** | **1,556.79** |

## 25 Finance costs

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Interest expense on lease liabilities (Refer note 5(b)) | 24.89 | 27.51 |
| Interest expense on bank overdraft | - | - |
| Interest expense on debentures | - | - |
| Interest expense on income tax | 0.24 | - |
| Interest expense on put option liability over NCI | 2.90 | - |
| Bank guarantee commission | 0.64 | 0.79 |
| Other interest | 1.22 | 1.20 |
| | **29.89** | **29.50** |

## 26 Depreciation and amortisation expenses

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Depreciation on property, plant and equipment (Refer note 4) | 98.03 | 116.73 |
| Amortisation of right-of-use assets (Refer note 5(a)). | 101.94 | 91.95 |
| Amortisation on intangible assets (Refer note 7) | 67.72 | 75.40 |
| | **267.69** | **284.08** |

## 27 Other expenses

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Sub-contracting expenses | 611.05 | 553.77 |
| Enrolment card charges | 12.71 | 35.66 |
| Legal and professional | 178.64 | 126.69 |
| Printing and stationery | 144.63 | 141.58 |
| Rent* | 12.53 | 16.29 |
| Postage and communication | 88.10 | 83.55 |
| Travelling and conveyance | 91.85 | 41.66 |
| Repair and maintenance - others | 158.90 | 139.18 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 27 Other expenses (Contd..)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Claims disallowed | 74.56 | 55.68 |
| Power and fuel charges | 38.44 | 26.64 |
| Rates and taxes | 4.45 | 13.93 |
| Security expenses | 16.34 | 14.51 |
| Insurance awareness initiatives | 40.04 | 22.11 |
| Corporate social responsibility (refer note 42) | 12.50 | 10.70 |
| Software subscription charges | 55.08 | 37.26 |
| Provision for doubtful advances and other receivables | 15.30 | - |
| Allowance for expected credit losses on trade receivables and other receivables | 17.04 | 22.69 |
| Advertisement and business promotion | 185.58 | 72.62 |
| Housekeeping charges | 38.00 | 4.27 |
| Insurance | 13.09 | 7.75 |
| Director sitting fees | 10.15 | 7.68 |
| Auditor's remuneration ** | 20.02 | 12.32 |
| Bad debts written off | 80.84 | 98.57 |
| Less: Utilisation of provision | (80.84) | (98.57) |
| Loss on disposal of property, plant and equipment (net) | 4.76 | 9.37 |
| Foreign exchange loss (net) | 1.97 | - |
| Advances written off | 1.26 | 7.14 |
| Miscellaneous expenses | 31.96 | 6.05 |
| | **1,878.95** | **1,469.10** |

* Represents lease rentals for short term leases and leases of low value assets (net of rent concession) (Refer note 5(b))

** Auditor's remuneration (excluding goods and services tax) #

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **As auditor:** | | |
| Audit fee | 19.87 | 11.42 |
| **In other capacity:** | | |
| Certification fees | 0.15 | 0.90 |
| | **20.02** | **12.32** |

# Excluding an amount of Rs 21.00 million (31 March 2022: ₹ Nil, 31 March 2021: ₹ Nil) provided towards Initial Public Offer services recoverable from selling shareholders.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 28 Contingent liabilities and commitments

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Contingent liabilities:** | | | |
| i) Bonus as per The Payment of Bonus (Amendment) Act, 2015 for the period from 1 April 2014 to 31 March 2015 | (a) | 6.15 | 6.15 |
| ii) Demands raised by income-tax authorities for assessment years 2017-18 on account of disallowance of amortisation on goodwill and prior period expenditure and disallowance u/s 14A to the extent applicable [Amount paid to Income tax authority under protest of ₹ 8.02 million (31 March 2022: 8.02 million, 31 March 2021: 8.02 million)] | | 22.46 | 22.46 |
| iii) Disallowance of employee stock option expenses and disallowance under section 14A for Assessment year 2017-18 | | 3.74 | 3.74 |
| iv) Disallowance of employee stock option expenses and disallowance under section 14A for assessment year 2018-19 | | 12.76 | 12.76 |
| v) Disallowance of employee stock option expenses for assessment year 2020-21 | | 0.28 | - |
| vi) Disallowed u/s 40(a)(ia) of the Income-tax Act, 1961, for payments made to various hospitals during the financial year 2007-08 and 2008-09 | (b) | 464.96 | 464.96 |
| vii) Demands raised by income tax authorities for assessment years 2018-19 and 2020-21 on account of disallowance of amortisation of intangible assets. | | 50.77 | 30.67 |
| viii) Medvantage, the subsidiary company has claims against it not acknowledged as debt in respect of income-tax matters for Assessment Year 2014-15 | | 9.75 | - |
| ix) Employee Provident Fund | (c) | - | - |
| **Commitments:** | | | |
| i) Bank guarantees | | 205.74 | 180.83 |
| ii) Estimated amount of contracts, remaining to be executed on capital account and not provided for - net of advances | | 5.27 | 20.26 |

(a) The Payment of Bonus (Amendment) Act, 2015 was notified by the Government of India with retrospective effect from 1 April 2014. The Hon'ble High Court, Karnataka based on the writ Petition no 5272/2016 and 5311/2016, has vide its order dated 2 February 2016, stayed the operation of the said notification for the financial year 2014-15. The obligation to pay the bonus for the financial year 2014-15 will arise only if the High Court disposes off the writ petition in favour of the Government. Hence, the Group has taken a view that an amount of Rs 6.15 million which is the approximate statutory bonus liability, for the eligible employees in respect of financial year 2014-15, has been considered as an contingent liability.

(b) As per the Income tax assessment order, the Assessing Officer has disallowed u/s 40(a)(ia) payments made to various hospitals during the financial year 2007-08 and 2008-09 totaling Rs 118.92 million and Rs 964.75 million respectively and accordingly raised a demand of ₹ 29.71 million and ₹ 435.25 million u/s 143(3) of the IT Act respectively against Dedicated Healthcare Services TPA (India) Private Limited (DHS). DHS filed an appeal against these above Orders as the payments to hospitals were made from the funds received from insurance companies were an advance and all payments were adjusted against the advance received. The payments were not claimed as an expenditure, hence, these cannot be disallowed under said section. The DHS received favorable orders from CIT(A) on 8 August 2012, ITAT on 10 December 2014, and the High Court on 30 November 2015. However, the IT department has filed an appeal with The Honorable Supreme Court of India. Further MATPA, the subsidiary company had acquired DHS on 30 September 2016 and pursuant to the merger order dated 6 April 2018, DHS merged with the subsidiary company from the appointed date specified in the Scheme i.e. 1 October 2016.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 28 Contingent liabilities and commitments

(c) In light of judgment of Honorable Supreme Court dated 28 February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence, it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

(d) In respect of the contingent liabilities set out above, pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any.

## 29 Earnings per share ('EPS')

(All amounts are in Indian Rupees millions except share data and per share data, unless otherwise stated)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Profit attributable to equity shareholders of the Parent** | | |
| Net profit for the year attributable to the equity shareholders from continuing operations (a) | 753.25 | 634.67 |
| Net profit/ (loss) for the year attributable to the equity shareholders from discontinued operations (b) | (12.66) | 7.51 |
| Weighted average number of equity shares outstanding for basic EPS (c)* | 6,88,59,212 | 6,88,59,212 |
| Weighted average number of equity shares outstanding for diluted EPS (d)** | 6,95,39,351 | 6,94,12,258 |
| **Earnings per equity share** | | |
| Basic earnings per share of Rs 5 each (for continuing operations) [a/c] | 10.94 | 9.22 |
| Diluted earnings per share of Rs 5 each (for continuing operations) [a/d] | 10.83 | 9.14 |
| Basic earnings/(loss) per share of Rs 5 each (for discontinued operations) [b/c] | (0.18) | 0.11 |
| Diluted earnings/(loss) per share of Rs 5 each (for discontinued operations) [b/d] ^ | (0.18) | 0.11 |
| Basic earnings per share of Rs 5 each (for continuing and discontinued operations) [(a+b)/c] | 10.76 | 9.33 |
| Diluted earnings per share of Rs 5 each (for continuing operations and discontinued operations) [(a+b)/d] | 10.65 | 9.25 |

^ In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

*** Computation of weighted average number of equity shares used in calculating basic earning per share is set out below:**

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Opening balance | 6,88,59,212 | 37,181 |
| Conversion of Redeemable Preference share into CCPS and thereafter to equity (note 1 below) | - | - |
| Capitalisation due to share split from paid-up capital of ₹10 per equity share to ₹5 per equity share (refer note 2 below) | - | 37,181 |
| Capitalisation of bonus shares issued (925 Bonus share issued per equity share) (Refer Note 2 below) | - | 6,87,84,850 |
| Weighted average number of equity shares | **6,88,59,212** | **6,88,59,212** |

1. Pursuant to a resolution passed by Board of Directors of the Company on 4 March 2021, Company has converted 9,175 Redeemable Preference Shares into 9,175 Series B Compulsorily Convertible Preference Shares ("Series B CCPS") and then extinguished the above 9,175 Series B CCPS of Rs 10 each by issue of 1,099 Equity Shares of ₹ 10 each effective 5 March 2021.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 29 Earnings per share ('EPS') (Contd..)

2. Pursuant to a resolution passed by the Shareholders on 7 April 2021 and subsequent allotment on 9 April 2021, the Company has sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each. Further, the Company has allotted 68,784,850 equity shares of face value of ₹ 5 each by way of bonus issue to its shareholders and consequently the paid-up share capital of the Company has been increased to 68,859,212 equity shares of face value of ₹ 5 each and the Board authorised for appropriate adjustments on allotment of share split and bonus shares to the outstanding options granted to the employees under the ESOP scheme.

**** Computation of weighted average number of equity shares used in calculating diluted earning per share is set out below:**

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Weighted average number of equity shares outstanding during the period for calculating basic EPS | 6,88,59,212 | 6,88,59,212 |
| Effect of dilutive potential equity shares: | | |
| Employee stock options* | 6,80,139 | 5,53,046 |
| **Weighted average number of equity shares** | **6,95,39,351** | **6,94,12,258** |

* In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

## 30 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 'General instructions for the preparation of Consolidated financial statements'

### As at and for the year ended 31 March 2023

| Name of the entity | Net assets i.e total assets minus total liabilities | | Share in profit or loss | | Share in OCI | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive icome | Amount |
| **Parent** | | | | | | | | |
| Medi Assist Healthcare Services Limited | 43.74% | 1,678.03 | 22.40% | 165.85 | 105.97% | (61.78) | 15.26% | 104.07 |
| **Indian Subsidiaries** | | | | | | | | |
| Medi Assist Insurance TPA Private Limited | 66.51% | 2,551.84 | 104.22% | 771.68 | 3.50% | (2.04) | 112.83% | 769.64 |
| International Healthcare Management Services Private Limited | 1.19% | 45.68 | 0.17% | 1.23 | -0.53% | 0.31 | 0.23% | 1.54 |
| Mayfair Consultancy Services India Private Limited | 1.00% | 38.48 | 0.31% | 2.28 | 0.50% | (0.29) | 0.29% | 1.98 |
| Medvantage Insurance TPA Private Limited | 0.82% | 31.57 | 0.89% | 6.61 | 2.11% | (1.23) | 0.79% | 5.38 |
| **Foreign Subsidiaries** | | | | | | | | |
| Mayfair We Care Ltd* | 0.53% | 20.34 | 0.15% | 1.12 | -2.24% | 1.31 | 0.36% | 2.43 |
| **Subtotal** | **113.79%** | **4,365.94** | **128.14%** | **948.77** | **109.32%** | **(63.72)** | **129.75%** | **885.04** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 30 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 'General instructions for the preparation of Consolidated financial statements' (Contd..)

| Name of the entity | Net assets i.e total assets minus total liabilities | | Share in profit or loss | | Share in OCI | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive icome | Amount |
| Eliminations/ adjustments arising out of consolidation | -15.63% | (599.84) | -28.12% | (208.18) | -4.70% | 2.74 | -30.12% | (205.45) |
| Non-controlling interests in all subsidiaries | 1.84% | 70.61 | -0.02% | (0.17) | -4.60% | 2.68 | 0.37% | 2.51 |
| **Total** | **100.00%** | **3,836.71** | **100.00%** | **740.42** | **100.02%** | **(58.30)** | **100.00%** | **682.11** |

* Including its step-down subsidiaries

**As at and for the year ended 31 March 2022**

| Name of the entity | Net assets i.e total assets minus total liabilities | | Share in profit or loss | | Share in OCI | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive icome | Amount |
| **Parent** | | | | | | | | |
| Medi Assist Healthcare Services Limited | 49.26% | 1,671.23 | 28.80% | 184.97 | 24.30% | (6.25) | 28.99% | 178.72 |
| **Indian Subsidiary** | | | | | | | | |
| Medi Assist Insurance TPA Private Limited | 62.24% | 2,111.79 | 71.12% | 456.69 | 75.70% | (19.47) | 70.93% | 437.22 |
| **Subtotal** | **111.50%** | **3,783.02** | **99.92%** | **641.66** | **100.00%** | **(25.72)** | **99.92%** | **615.94** |
| Eliminations/ adjustments arising out of consolidation | -12.14% | (411.74) | 0.08% | 0.51 | - | - | 0.08% | 0.51 |
| Non-controlling interests in a subsidiary | 0.64% | 21.57 | - | - | - | - | - | - |
| **Total** | **100.00%** | **3,392.85** | **100.00%** | **642.17** | **100.00%** | **(25.72)** | **100.00%** | **616.45** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 30 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 'General instructions for the preparation of Consolidated financial statements' (Contd..)

**As at and for the year ended 31 March 2022**

| Name of the entity | Net assets i.e total assets minus total liabilities | | Share in profit or loss | | Share in OCI | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive icome | Amount |
| **Parent** | | | | | | | | |
| Medi Assist Healthcare Services Limited | 55.36% | 1,619.46 | 124.98% | 328.37 | 202.64% | 8.32 | 126.17% | 336.69 |
| **Indian Subsidiary** | | | | | | | | |
| Medi Assist Insurance TPA Private Limited | 56.34% | 1,648.14 | 93.01% | 244.37 | -102.64% | (4.21) | 90.00% | 240.16 |
| **Subtotal** | **111.70%** | **3,267.60** | **217.99%** | **572.74** | **100.00%** | **4.11** | **216.17%** | **576.85** |
| Eliminations/ adjustments arising out of consolidation | -12.43% | (363.72) | -117.99% | (310.00) | - | - | -116.17% | (310.00) |
| Non-controlling interests in a subsidiary | 0.74% | 21.57 | - | - | - | - | - | - |
| **Total** | **100.00%** | **2,925.45** | **100.00%** | **262.74** | **100.00%** | **4.11** | **100.00%** | **266.85** |

## 31 Employee benefits

The Group has the following employee benefit plans.

**a) Defined contribution plan:**

The contributions paid/ payable to Employee Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognised as expense in the restated consolidated statement of profit and loss during the year in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities. The amount recognised as an expense towards contribution to defined contribution plan of the Group for the year amounts to ₹ 91.36 million (31 March 2022: ₹ 102.96 million, 31 March 2021: ₹ 80.48 million)

**b) Defined benefit plans:**

The Group has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. The plan entitles an employee who has rendered at least five years of continuous service to receive 15 days salary for every completed year of service or part thereof in excess of six months based on the rate of last drawn salary (basic plus dearness allowance) by the employee concerned. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial gains/ (losses) are recognised under other comprehensive income in the restated consolidated statement of profit and loss.

The Group has considered only such changes in legislation which have been enacted up to the Balance sheet date for the purpose of determining defined benefit obligation.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 31 Employee benefits (Contd..)

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Defined benefit obligation | 204.71 | 159.51 |
| Less: Fair value of plan assets | 5.74 | 6.68 |
| **Net defined benefit obligation** | **198.97** | **152.83** |
| Current liabilities | 56.63 | 40.62 |
| Non-current liabilities | 142.34 | 112.21 |

**i Reconciliation of the net defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

**Reconciliation of present value of defined benefit obligation**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Balance at the beginning of the year** | **159.51** | **121.43** |
| Benefits paid | (17.07) | (16.20) |
| Current service cost | 26.14 | 22.29 |
| Past service cost | - | - |
| Interest cost | 8.09 | 5.39 |
| Additions through business combinations | 22.57 | - |
| Effect of divestiture/ transfers | 0.63 | (1.62) |
| **Actuarial (gains)/ losses recognised in restated consolidated other comprehensive income** | | |
| Changes in demographic assumptions | - | - |
| Changes in financial assumptions | (12.36) | (1.89) |
| Experience adjustment | 17.20 | 30.11 |
| **Balance at the end of the year** | **204.71** | **159.51** |

**Reconciliation of present value of plan assets**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Balance at the beginning of the year** | **6.68** | **7.69** |
| Additions through business combinations | 0.01 | - |
| Contributions paid by the employer | 15.71 | 14.76 |
| Benefits paid | (17.07) | (16.20) |
| Interest income | 0.30 | 0.29 |
| **Return on plan assets recognised in restated consolidated other comprehensive income** | | |
| Re-measurements on plan assets – loss/ (gain) | 0.10 | 0.16 |
| Experience adjustment | 0.01 | (0.02) |
| **Balance at the end of the year** | **5.74** | **6.68** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 31 Employee benefits (Contd..)

### Expense recognised in restated consolidated statement of profit and loss

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Current service cost | 26.14 | 22.29 |
| Past service cost | - | - |
| Interest cost | 8.09 | 5.39 |
| Interest income | (0.30) | (0.29) |
| | **33.93** | **27.39** |

### Expense recognised in restated consolidated other comprehensive income

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Changes in demographic assumptions | - | - |
| Changes in financial assumptions | (12.36) | (1.89) |
| Experience adjustment | 17.19 | 30.11 |
| Re-measurements on plan assets – loss/ (gain) | (0.10) | (0.16) |
| | **4.73** | **28.06** |

### ii. Plan assets

Plan assets comprise the following

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Managed by - Reliance Nippon Life Insurance and LIC Limited - 100% funded | 5.74 | 6.68 |
| | **5.74** | **6.68** |

The 100% of the plan assets have been invested with the Insurance Company in non-unit linked.

The Group expects to pay ₹ 56.63 million (31 March 2022: ₹ 40.62 million; 31 March 2021: ₹ 28.18 million) in its contribution to defined benefit plan in the next financial year .

### iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Discount rate | 7.10% to 7.37% | 4.90% |
| Expected return | 0.00% to 4.90% | 4.50% |
| Future salary growth | 6.00% to 11.58% | 8.00% |
| Mortality rates | IALM 2012-14 Ult | IALM 2012-14 Ult |
| Weighted average duration | 2 to 13.7 years | 2 years |
| Rate of employee turnover | 9.49% to 37.00% | 37.00% |

Assumptions regarding future mortality have been based on published statistics and mortality tables

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 31 Employee benefits (Contd..)

**iv. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (9.63) | 10.25 | (4.60) | 4.82 |
| Future salary growth (1% movement) | 9.51 | (9.16) | 4.64 | (4.51) |
| Rate of employee turnover (1% movement) | (0.75) | 0.78 | (0.85) | 0.89 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year

**v. Expected future cash flows**

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Discounted | Undiscounted | Discounted | Undiscounted |
| 1st Following year | 74.23 | 78.37 | 59.99 | 61.44 |
| 2nd Following year | 56.80 | 63.68 | 48.33 | 51.92 |
| 3rd Following year | 45.08 | 54.09 | 37.44 | 42.20 |
| 4th Following year | 39.20 | 50.30 | 31.08 | 36.75 |
| 5th Following year | 30.72 | 42.19 | 24.15 | 29.95 |
| Thereafter | 72.82 | 128.05 | 51.83 | 72.16 |

**vi. Description of risk exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Group is exposed to various risks as follows:

a) Salary increases- Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment risk- If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount rate- Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality- Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) Withdrawals- Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact the plan's liability.

## 32 Employee share-based payments

**32 (a) 2013 plan**

The Company has introduced Employee Stock Option Scheme 2013 ("ESOS 2013") with effect from 1 October 2013 to enable the employees of the Company to participate in the future growth and success of the Company. ESOS 2013 is operated at the discretion of the Board of directors.

These options confers a right but not an obligation on the employees to apply for equity shares of the Company, once the terms and conditions set forth in ESOS 2013 and the option agreement have been met. Vesting of options would be subject to continued employment with the Company and meeting the requisite performance parameters.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 32 Employee share-based payments (Contd..)

The Company had the below share-based payment arrangement under ESOS 2013:

| Particulars | Date of grants | Number of options granted | Exercise price (in Rs) |
|---|---|---|---|
| Grant I | 01-Oct-13 | 108 | 66,603 |
| Grant II | 01-Sep-15 | 254 | 4,07,275 |
| Grant III | 05-Sep-18 | 29 | 3,39,213 |
| Grant IV | 01-Jul-21 | 13,01,956 | 256 |
| Grant V | 01-Jul-22 | 3,21,116 | 273 |

**Conditions:**

| | |
|---|---|
| Vesting condition | Continued employment with the Company and fulfilment of performance parameters |
| Exercise period | Exercise on listing / strategic sale |
| Method of settlement | Equity |

### Vesting schedule

| Particulars | Grant I | Grant II | Grant III | Grant IV | Grant V |
|---|---|---|---|---|---|
| At the end of one year | - | 50% | 100% | 10% | 10% |
| At the end of two year | 50% | 25% | - | 20% | 20% |
| At the end of three year | 25% | 25% | - | 30% | 30% |
| At the end of four year | 25% | - | - | 40% | 40% |

### Modification of Employee Stock Option Scheme

The Company had made capital restructuring by way of right issues to existing shareholders on March 21, 2017. In accordance with the ESOS 2013 scheme, non-discretionary anti-dilution provisions exists, resulting in terms of modification of the scheme, thereby additional options have been given to option grantees by the Company. Due to existence of non-discretionary provision, this has not resulted in any incremental share based payment expense, reason being the fair value of the options immediately before and after the rights issue were the same.

| Particulars | Grant I | Grant II |
|---|---|---|
| Revised exercise price | 32,696 | 1,99,877 |
| Additional ESOS issued during the period from March 21, 2017 to March 31, 2017 | 112 | 265 |
| Revised ESOS in force at the time of modification | 220 | 519 |
| Revised ESOS in force as at 31 March 2023 | 106 | 519 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 32 Employee share-based payments (Contd..)

**Reconciliation of outstanding share options:**

**For the year ended 31 March 2023**

| Particulars | Shares arising out of options | Range of exercise prices (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at 1 April 2022 | 23,40,928 | 18 to 256 | 18 to 256 | 4.00 |
| Add: Options granted during the year | 3,21,116 | 273 | 273 | 4.00 |
| Less: Options forfeited during the year | 1,23,158 | 256 | 256 | - |
| **Options outstanding as at 31 March 2023** | **25,38,886** | **18 to 273** | **18 to 273** | **4.00** |
| **Exercisable options as at 31 March 2023** | **13,17,698** | **18 to 256** | **18 to 256** | **3.00** |

**For the year ended 31 March 2022**

| Particulars | Shares arising out of options | Range of exercise prices (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at 1 April 2021* | 12,11,208 | 18 to 183 | 256 | 2.75 |
| Add: Options granted during the year | 13,01,956 | 256 | 256 | 4.00 |
| Less: Options forfeited during the year | 1,72,236 | 256 | - | - |
| **Options outstanding as at 31 March 2022** | **23,40,928** | **18 to 256** | **18 to 256** | **4.00** |
| **Exercisable options as at 31 March 2022** | **12,11,208** | **18 to 183** | **18 to 183** | **3.00** |

**For the year ended 31 March 2021**

| Particulars | Shares arising out of options | Range of exercise prices (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at 1 April 2020 | 654 | 32,696 to 339,213 | 1,78,959 | 3.00 |
| Add: Options granted during the year | - | - | - | - |
| Less: Options lapsed during the year | - | - | - | - |
| **Options outstanding as at 31 March 2021** | **654** | **32,696 to 339,213** | **1,78,959** | **2.75** |
| **Exercisable options as at 31 March 2021** | **654** | **32,696 to 339,213** | **1,78,959** | **2.75** |

* Pursuant to a resolution passed by the Shareholders on 7 April 2021 and subsequent allotment on 9 April 2021, the Company has sub-divided the face value of its equity shares from ₹ 10 each to ₹ 5 each. Further, the Company has allotted 68,784,850 equity shares of face value of ₹ 5 each by way of bonus issue to its shareholders and consequently the paid-up share capital of the Company has been increased to 68,859,212 equity shares of face value of ₹ 5 each and the Board authorised for appropriate adjustments on allotment of share split and bonus shares to the outstanding options granted to the employees under the ESOP scheme.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 32 Employee share-based payments (Contd..)

### Valuation of stock options

Options have been valued based on fair value method as described under Ind AS 102 Share based payments, using Black Scholes valuation options pricing model, by using the fair value of the Company's shares on the grant date.

| Particulars | Grant I | Grant II | Grant III | Grant IV | Grant V |
|---|---|---|---|---|---|
| Grant date | 01-Oct-13 | 01-Sep-15 | 05-Sep-18 | 01-Jul-21 | 01-Jul-22 |
| Share price in Rs | 3,16,032.00 | 4,07,275.00 | 3,39,213.00 | 257.35 | 273.61 |
| Exercise price in Rs | 66,603.00 | 4,07,275.00 | 3,39,213.00 | 256.00 | 273.00 |
| Expected volatility | 27.50% | 27.50% | 26.37% | 31.83% to 36.23% | 27.79% to 34.19% |
| Expected life | 5.42 | 4.50 | 2.57 | 4.00 | 4.00 |
| Dividend yield | 0.00% | 0.00% | 0.00% | 0.97% | 0.91% |
| Risk-free interest rate (based on government bonds) | 8.82% | 7.79% | 7.80% | 4.54% to 5.83% | 6.41% to 7.14% |
| Fair value in Rs | 2,74,744.00 | 1,53,254.00 | 88,004.02 | 81.07 | 91.62 |

### Expenses summary of share-based payments

For details on employee benefit expense refer note 24.

During the year, ₹ 32.79 million (31 March 2022 : ₹ 23.09 million, 31 March 2021 : ₹ Nil) has been recognised as an expense for the year.

**32 (b) Employee stock option scheme of a subsidiary (Medi Assist Insurance TPA Private Limited):**

### Employee Stock Option Scheme 2012 ("ESOS 2012")

The subsidiary has introduced Employee Stock Option Scheme 2012 ("ESOS 2012") with effect from 30 April 2012 to enable the employees of the subsidiary company and the employees of the Parent to participate in the future growth and success of the subsidiary company  ESOS 2012 is operated at the discretion of the subsidiary company's Board of directors.

The subsidiary company has granted 87,842 employee stock options on 30 April 2012, 17,333 employee stock options on 30 April 2013, 28,198 employee stock options on 1 June 2014, 6,374 employee stock options on 1 June 2015, 13,500 employee stock options on 15 September 2015, 29,000 employee stock options on 15 July 2016 and 45,394 employee stock options on 1 July 2017. These options confer a right but not an obligation on the employee to apply for equity shares of the subsidiary company once the terms and conditions set forth in the ESOS 2012 and the option agreement have been met. Vesting of options would be subject to continued employment with the subsidary company/ Parent and meeting the requisite performance parameters.

The subsidiary company had the below share-based payment arrangement under ESOS 2012.

| Particulars | Date of grants | Number of option granted | Exercise price |
|---|---|---|---|
| Grant I | 30-Apr-12 | 45,400 | 140 |
| Grant II | 30-Apr-12 | 40,124 | 140 |
| Grant III | 30-Apr-12 | 2,318 | 140 |
| Grant IV | 30-Apr-13 | 17,333 | 235 |
| Grant V | 01-Jun-14 | 28,198 | 966 |
| Grant VI | 01-Jun-15 | 6,374 | 1,244 |
| Grant VII | 15-Sep-15 | 13,500 | 1,244 |
| Grant VIII | 15-Jul-16 | 29,000 | 1,368 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 32 Employee share-based payments (Contd..)

| Particulars | Date of grants | Number of option granted | Exercise price |
|---|---|---|---|
| Grant IX | 01-Jul-17 | 18,110 | 1,505 |
| Grant X | 01-Jul-17 | 15,405 | 1,505 |
| Grant XI | 01-Jul-17 | 7,434 | 1,505 |
| Grant XII | 01-Jul-17 | 4,445 | 1,505 |

**Conditions**

| | |
|---|---|
| Vesting condition | Continued employment with the Company and fulfillment of performance parameters |
| Exercise period | Exercise on listing / strategic sale |
| Method of settlement | Equity |

### Vesting schedule

| Particulars | Grant I | Grant II | Grant III | Grant IV, V, VI, VII, VIII and IX |
|---|---|---|---|---|
| At the end of 1 year | 15% | 33% | 100% | 15% |
| At the end of 2 year | 20% | 33% | - | 20% |
| At the end of 3 year | 30% | 34% | - | 30% |
| At the end of 4 year | 35% | - | - | 35% |

| Particulars | Grant X | Grant XI | Grant XII |
|---|---|---|---|
| At the end of 1 year | 35% | 65% | 100% |
| At the end of 2 year | 30% | 35% | - |
| At the end of 3 year | 35% | - | - |
| At the end of 4 year | - | - | - |

### Modification of Employee Stock Option Scheme

In the month of August 2018, the subsidiary company modified the ESOP vesting period, for all the ESOP grants by accelerating the vesting period. The fair value of the ESOPs on the date of modification of the equity instrument and that of the original equity instrument estimated on the date of modification is detailed below as pre and post modification value. In accordance with the modification by accelerating the vesting period the amount of grant date fair value of the options was recognised as an expenses in the consolidated statement of profit and loss immediately. The fair value of the modified options was determined using the same models and principles as described above.

### Modified Vesting schedule

| Particulars | Grant I | Grant II | Grant III | Grant IV, V, VI, VII, VIII and IX |
|---|---|---|---|---|
| Immediate | 100% | 100% | 100% | 100% |

| Particulars | Grant X | Grant XI | Grant XII |
|---|---|---|---|
| Immediate | 100% | 100% | 100% |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 32 Employee share-based payments (Contd..)

### Fair value of options pre and post modification:

| Particulars | Date of grants | Fair Value Pre Modification | Fair Value Post Modification |
|---|---|---|---|
| Grant I | 30-Apr-12 | 2,160 | 2,139 |
| Grant II | 30-Apr-12 | 2,160 | 2,139 |
| Grant III | 30-Apr-12 | 2,160 | 2,139 |
| Grant IV | 30-Apr-13 | 2,085 | 2,049 |
| Grant V | 01-Jun-14 | 1,512 | 1,363 |
| Grant VI | 01-Jun-15 | 1,295 | 1,103 |
| Grant VII | 15-Sep-15 | 1,296 | 1,103 |
| Grant VIII | 15-Jul-16 | 1,224 | 986 |
| Grant IX | 01-Jul-17 | 1,174 | 858 |
| Grant X | 01-Jul-17 | 1,123 | 858 |
| Grant XI | 01-Jul-17 | 1,096 | 858 |
| Grant XII | 01-Jul-17 | 1,096 | 858 |

Fair market value as on the date of modification ₹ 2,270 per share.

### Reconciliation of outstanding employee stock options:

### For the year ended 31 March 2023

| Particulars | Shares arising out of options | Range of exercise prices (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at 1 April 2022 | 86,257 | 140 - 1,505 | 709 | 1.00 |
| Add: Options granted during the year | - | - | - | - |
| Less: Options settled during the year (refer note 32(c)) | 86,257 | 140 - 1,505 | 709 | 1.00 |
| **Options outstanding as at 31 March 2023** | **-** | **-** | **-** | **-** |
| **Exercisable options as at 31 March 2023** | **-** | **-** | **-** | **-** |

### For the year ended 31 March 2022

| Particulars | Shares arising out of options | Range of exercise prices (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at 1 April 2021 | 86,257 | 140 - 1,505 | 709 | 1.00 |
| Add: Options granted during the year | - | - | - | - |
| Less: Options settled during the year | - | - | - | - |
| **Options outstanding as at 31 March 2022** | **86,257** | **140 - 1,505** | **709** | **1.00** |
| **Exercisable options as at 31 March 2022** | **86,257** | **140 - 1,505** | **709** | **1.00** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 32 Employee share-based payments (Contd..)

**For the year ended 31 March 2021**

| Particulars | Shares arising out of options | Range of exercise prices (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life |
|---|---|---|---|---|
| Outstanding as at 1 April 2020 | 86,257 | 140 - 1,505 | 709 | 1.00 |
| Add: Options granted during the year | - | - | - | - |
| Less: Options settled during the year | - | - | - | - |
| **Options outstanding as at 31 March 2021** | **86,257** | **140 - 1,505** | **709** | **1.00** |
| **Exercisable options as at 31 March 2021** | **86,257** | **140 - 1,505** | **709** | **1.00** |

### Expenses summary of share-based payment

For details on employee benefit expense refer note 24.

**32 (c) Settlement of employee stock options - ESOS 2012**

During the financial year 2022-23, the subsidiary company's Board has passed a resolution to terminate the ESOS 2012 scheme and settle the option holders with cash equivalent to the fair value of equity shares of the subsidiary company as at the date of termination. The subsidiary company has obtained required approvals from the existing optionholders. Based on the fair value carried by an independent valuer, the fair value has been determined at ₹ 2,330 as on the date of settlement. The subsidiary company has created a liability towards the amounts payable to these option holders amounting to ₹ 141.26 million (including NCI portion of ₹ 21.57 million).

Assumptions used to arrive at the fair value of ₹ 2,330 per share

| Particulars | Remarks |
|---|---|
| Discount rate | 18.13% |
| Risk-free interest rate (based on government bonds) | 7.40% |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 33 Financial instruments – Fair values and risk management

### A. Accounting classification and fair values

| Particulars | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Carrying amount | | | |
| | FVTPL * | FVOCI ** | Amortised cost | Total | FVTPL * | FVOCI ** | Amortised cost | Total |
| **Financial assets** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Investments | - | 12.66 | - | 12.66 | - | 69.39 | - | 69.39 |
| Other financial assets | - | - | 116.56 | 116.56 | - | - | 58.93 | 58.93 |
| **Current** | | | | | | | | |
| Investments | 427.31 | - | - | 427.31 | 1,895.04 | - | - | 1,895.04 |
| Trade receivables | - | - | 1,271.57 | 1,271.57 | - | - | 1,187.70 | 1,187.70 |
| Cash and cash equivalents | - | - | 539.44 | 539.44 | - | - | 145.95 | 145.95 |
| Bank balances other than cash and cash equivalents above | - | - | 1,575.72 | 1,575.72 | - | - | 479.38 | 479.38 |
| Other financial assets | - | - | 281.94 | 281.94 | - | - | 224.23 | 224.23 |
| | **427.31** | **12.66** | **3,785.23** | **4,225.20** | **1,895.04** | **69.39** | **2,096.19** | **4,060.62** |
| **Financial liabilities** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Lease liabilities | - | - | 186.90 | 186.90 | - | - | 175.20 | 175.20 |
| Put option liability over NCI | 73.36 | - | - | 73.36 | - | - | - | - |
| **Current** | | | | | | | | |
| Borrowings | - | - | 0.77 | 0.77 | - | - | - | - |
| Lease liabilities | - | - | 119.12 | 119.12 | - | - | 99.58 | 99.58 |
| Trade payables | - | - | 364.28 | 364.28 | - | - | 290.20 | 290.20 |
| Other financial liabilities | - | - | 350.68 | 350.68 | - | - | 132.94 | 132.94 |
| | **73.36** | **-** | **1,021.75** | **1,095.11** | **-** | **-** | **697.92** | **697.92** |

* FVTPL - fair value through profit and loss

** FVOCI - fair value through other comprehensive income

### B. Fair value hierarchy

| Particulars | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value# | | | | Fair value# | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Investments | 12.16 | - | 0.50 | 12.66 | 13.96 | - | 55.43 | 69.39 |
| **Current** | | | | | | | | |
| Investments | 427.31 | - | - | 427.31 | 1,895.04 | - | - | 1,895.04 |
| | **439.47** | **-** | **0.50** | **439.97** | **1,909.00** | **-** | **55.43** | **1,964.43** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 33 Financial instruments – Fair values and risk management (Contd..)

| Particulars | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value# | | | | Fair value# | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial liabilities** | | | | | | | | |
| Non-current | | | | | | | | |
| Put option liability over NCI | - | - | 73.36 | 73.36 | - | - | - | - |
| | **-** | **-** | **73.36** | **73.36** | **-** | **-** | **-** | **-** |

There has been no transfer between levels during the years ended 31 March 2023, 31 March 2022 and 31 March 2021.

# The management has assessed that other financial assets (loans to employees, security deposits etc.), cash and cash equivalents, bank balances, trade receivables, trade payables, borrowings, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

a) The fair values of the units of mutual fund schemes are based on net asset values at the reporting date.

b) The fair values of the equity shares invested in 'The New India Assurance Company Limited' is as per the closing market price at the reporting date.

c) During the year ended 31 March 2023, management has carried out a detailed assessment on the performance of Healthvista India Private Limited and basis such assessment (considering the erosion of net worth, past losses and low likelihood of future profits) have determined the fair value of such investment to be ₹ Nil.

d) The fair value of put option liability over NCI was measured using monte-carlo simulation to capture the present value of the expected future value of the option liability.

e) All other financial assets and financial liabilities are recognised at amortised cost. Hence, there are no financial assets/ liabilities classified under Level 2 and Level 3.

**Reconciliation of fair value measurement of non-current investments being classified as FVOCI (Level 3):**

| Particulars | Investment in financial assets |
|---|---|
| **Opening balance as on 1 April 2020** | 138.31 |
| Addition during the year | 0.50 |
| Deletion during the year | (138.47) |
| Fair value movement recognised in statement of profit and loss | 46.42 |
| Fair value movement recognised in other comprehensive income | 8.67 |
| **Closing balance as on 31 March 2021** | **55.43** |
| **Opening balance as on 1 April 2021** | 55.43 |
| Fair value movement recognised in other comprehensive income | - |
| **Closing balance as on 31 March 2022** | **55.43** |
| **Opening balance as on 1 April 2022** | 55.43 |
| Fair value movement recognised in other comprehensive income | (54.93) |
| **Closing balance as on 31 March 2023** | **0.50** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 33 Financial instruments – Fair values and risk management (Contd..)

### Reconciliation of fair value measurement of Put option liability over NCI being classified as FVTPL (Level 3):

| Particulars | Put option liability over NCI |
|---|---|
| **Opening balance as on 1 April 2020** | - |
| Movement during the year | - |
| **Closing balance as on 31 March 2021** | **-** |
| **Opening balance as on 1 April 2021** | - |
| Movement during the year | - |
| **Closing balance as on 31 March 2022** | **-** |
| **Opening balance as on 1 April 2022** | - |
| Movement during the year | 67.74 |
| Interest cost over redemption liability recognised in statement of profit and loss | 2.90 |
| Exchange differences on translation | 2.72 |
| **Closing balance as on 31 March 2023** | **73.36** |

### Description of valuation techinique and significant unobservable inputs to valuation:

| Name of financial asset | Valuation technique | Significant unobservable inputs |
|---|---|---|
| Investment in unquoted equity shares | Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Group arising from the investments in financial assets. | Long term growth rate<br>Discount rate<br>Revenue multiple |

### Description of valuation techinique and significant unobservable inputs to valuation of put option:

| Name of financial asset | Valuation technique | Significant unobservable inputs |
|---|---|---|
| Put option liability over NCI | Monte-carlo simulation method was used to capture the present value of the expected future value of option liability. | Discount factor for credit risk - 1.50%<br>Discount factor for time value - 3.20%<br>Estimated revenue |

A one percentage change in the unobservable inputs used in the fair valuation of level 3 assets does not have a significant impact in the fair value of the financial instrument.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 33 Financial instruments – Fair values and risk management (Contd..)

**C. Financial risk management**

**Risk management framework**

The Group's management has overall responsibility for the establishment and oversight of the risk management framework.

The Group's management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The management is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Group's principal financial liabilities comprise of leases, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, trade and other receivables, cash and cash equivalents, other bank balances and security deposits that are out of regular business operations.

**The Group has exposure to the following risks arising from financial instruments:**

- Market risk;
- Credit risk; and
- Liquidity risk

**i. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchnage rates, interest rates and equity prices – will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

**(a) Foregin currency risk**

The Group primarily renders services and avails goods and services in domestic currencies and hence exposure to currency risk is minimal.

The exposure to foreign currency risk at the end of the reporting year expressed in ₹, are as follows:

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Currency | Amount | Currency | Amount |
| Financial liabilities | | | | |
| Put option liability over NCI | GBP | 73.36 | - | - |

**(b) Equity price risk**

The Group's investment in listed and unlisted equity and preference securities are susceptible to market price risk arising from uncertainties about the future value of investment in these securities. The Group manages these price risks through strategic investments and placing limits on individual investments. The investments reports are submitted to the senior management and the Board reviews and approves these investment decisions.

**Exposure in mutual funds**

The Group manages the surplus funds majorly through investments in mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Group on daily basis as reflected by the movement in the NAV of invested schemes. The Group is exposed to price risk on such investments. The investments reports are submitted to the senior management and the Board reviews and approves these investment decisions.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 33 Financial instruments – Fair values and risk management (Contd..)

**(c) Interest rate risk**

The Group's fixed rate fixed deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a changes in market interest rates.

The Group's borrowings are mostly at fixed rate of interest and therefore any change in the base interest rate will not have any impact on the Restated Consolidated Financial Information.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

a. Trade receivables
b. Unbilled receivables
c. Cash and bank balances
d. Other receivables
e. Other financial assets

**Trade receivables and unbilled receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group companies individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the Group makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The Group also establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables and unbilled receivables.

The maximum exposure to credit risk for trade receivables and unbilled receivables was as follows

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Trade receivables | 598.42 | 677.63 |
| Unbilled receivables | 829.27 | 725.94 |
| | **1,427.69** | **1,403.57** |

Refer note 12(b) for the movement in the allowance for expected credit losses in respect of trade receivables and unbilled receivables during the year.

**Management assessment of recoverability of trade receivables and unbilled receivables**

Trade receivables and unbilled receivables forms a significant part of the financial assets carried at amortised cost. The Group has performed detailed customer-wise specific assessment of recoverability of the trade receivables and unbilled receivables and has accordingly recognised an impairment loss. Further, the Group is closely monitoring the developments across various business lines. Basis the aforesaid detailed assessment made by management, provision made towards trade receivables and unbilled receivables is considered adequate.

**Cash and cash equivalents and other bank balances**

The cash and cash equivalents and other bank balances are held with banks and financial institutions counterparties with good credit rating.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 33 Financial instruments – Fair values and risk management (Contd..)

### Other receivables

These represents mainly security deposits given towards office premises taken on lease under contractual arrangement and earnest money deposits for participation in tender.

### Other financial assets

The Group has performed detailed party wise specific assessment of recoverability of the other financial assets and has accordingly recognised the impairment loss. Further, the Group is closely monitoring the developments across various business lines. Basis the aforesaid detailed assessment made by management, provision made towards other financial assets is considered adequate.

### iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

**As at 31 March 2023**

| Particulars | Carrying amount | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | 0-12 months | 1-2 years | 2-5 years | More than 5 years | Total |
| **Financial liabilities** | | | | | | |
| Put option liability over NCI | 73.36 | - | - | 85.35 | - | 85.35 |
| Borrowings | 0.77 | 0.77 | - | - | - | 0.77 |
| Trade payables | 364.28 | 364.28 | - | - | - | 364.28 |
| Other financial liabilities | 350.68 | 350.68 | - | - | - | 350.68 |
| | **789.09** | **715.73** | **-** | **85.35** | **-** | **801.08** |

**As at 31 March 2022**

| Particulars | Carrying amount | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | 0-12 months | 1-2 years | 2-5 years | More than 5 years | Total |
| **Financial liabilities** | | | | | | |
| Trade payables | 290.20 | 290.20 | - | - | - | 290.20 |
| Other financial liabilities | 132.94 | 132.94 | - | - | - | 132.94 |
| | **423.14** | **423.14** | **-** | **-** | **-** | **423.14** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 33 Financial instruments – Fair values and risk management (Contd..)

**As at 31 March 2022**

| Particulars | Carrying amount | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | 0-12 months | 1-2 years | 2-5 years | More than 5 years | Total |
| **Financial liabilities** | | | | | | |
| Trade payables | 340.34 | 340.34 | - | - | - | 340.34 |
| Other financial liabilities | 158.60 | 158.60 | - | - | - | 158.60 |
| | **498.94** | **498.94** | **-** | **-** | **-** | **498.94** |

Refer note 5(b) regarding the contractual maturitities of lease liabilities.

## 34 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity attributable to the equity holders of the Group. The primary objective of the Group's capital management is to safeguard the Group's ability to remain as a going concern and maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Group is equity based with financing through borrowings and leasing. The Group is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023, 31 March 2022 and 31 March 2021.

The Group's adjusted net debt to total equity ratio were as follows.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Total borrowings (including lease liabilities) | 306.79 | 274.78 |
| Less : Cash and cash equivalents | (539.44) | (145.95) |
| **Adjusted net debt (restricted to Nil)** | **-** | **128.83** |
| **Total equity (excluding NCI)** | **3,766.11** | **3,371.29** |
| **Adjusted net debt to adjusted equity ratio** | **-** | **0.04** |

## 35 Segment reporting

(a) The Group is primarily engaged in the business of Health Benefits Administration and related services, The CODM reviews these activities under the context of Ind AS 108 Operating Segments as one single operating segment to evaluate the overall performance of the Group.

**(b) Information about major customers (external customers):**

The following are the transactions by the Group with external customers individually contributing 10 per cent or more of the Group's revenue from operations:

(i) For the year ended 31 March 2023, revenue from operations of two customers of the Group represented approximately 43% and 10%, of the Group's revenue from operations.

(ii) For the year ended 31 March 2022, revenue from operations of two customers of the Group represented approximately 42% and 15%, of the Group's revenue from operations.

(iii) For the year ended 31 March 2021, revenue from operations of two customers of the Group represented approximately 35% and 16%, of the Group's revenue from operations.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 35 Segment reporting (Contd..)

### (c) Details of non-current operating assets *

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| India | 996.95 | 648.35 |
| Outside India | 2.24 | - |
| **Total** | **999.19** | **648.35** |

* Non-current operating assets for this purpose consist of property, plant and equipment, right-of-use assets, intangible assets (including under development) and other non-current assets.

(d) Refer note 22(A) for breakup of the Group's revenue by primary geographical market.

## 36 Movement in deferred taxes

### i Movement in deferred tax balances for the year ended 31 March 2023

| Particulars | Deferred tax assets/ (liabilities) as at 1 April 2022 | Additions through business combinations (Refer note 38) | Recognised in profit and loss | Recognised in OCI | Exchange differences on translation of foreign operations/ others | Deferred tax (liabilities)/ assets as at 31 March 2023 | Deferred tax assets | Deferred tax liabilities |
|---|---|---|---|---|---|---|---|---|
| Property plant and equipment and other intangible assets | (29.14) | (33.06) | (2.02) | - | (0.36) | (64.59) | - | (64.59) |
| Provision for employee benefits | 39.92 | 4.25 | 5.75 | 1.19 | - | 51.11 | 51.11 | - |
| Allowance for expected credit losses on trade receivables and other receivables | 62.44 | - | (12.67) | - | - | 49.77 | 49.77 | - |
| Other financial assets | (8.64) | - | 12.10 | (4.77) | (0.01) | (1.32) | - | (1.32) |
| Security deposits | 0.78 | - | 2.51 | - | - | 3.29 | 3.29 | - |
| Accrued expenses | 11.22 | - | (0.01) | - | - | 11.21 | 11.21 | - |
| Right-of-use assets | (50.55) | - | (17.12) | - | - | (67.67) | - | (67.67) |
| Lease liabilities | 69.16 | - | 7.86 | - | - | 77.02 | 77.02 | - |
| **Total** | **95.19** | **(28.81)** | **(3.60)** | **(3.58)** | **(0.37)** | **58.82** | **192.40** | **(133.58)** |
| Setoff of deferred tax assets with deferred tax liabilities (Refer (a)) | | | | | | | (101.10) | 101.10 |
| **Deferred tax assets/ Deferred tax liabilities (net)** | | | | | | | **91.30** | **(32.48)** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 36 Movement in deferred taxes (Contd..)

**ii Movement in deferred tax balances for the year ended 31 March 2022**

| Particulars | Deferred tax assets/ (liabilities) as at 1 April 2021 | Additions through business combinations | Recognised in profit and loss | Recognised in OCI | Exchange differences on translation of foreign operations/ others | Deferred tax (liabilities)/ assets as at 31 March 2022 | Deferred tax assets | Deferred tax liabilities |
|---|---|---|---|---|---|---|---|---|
| Property plant and equipment and other intangible assets | (47.56) | - | 18.42 | - | - | (29.14) | - | (29.14) |
| Provision for employee benefits | 29.91 | - | 2.95 | 7.06 | - | 39.92 | 39.92 | - |
| Allowance for expected credit losses on trade receivables and other receivables | 90.63 | - | (28.19) | - | - | 62.44 | 62.44 | - |
| Other financial assets | 5.30 | - | (14.56) | 0.61 | 0.01 | (8.64) | - | (8.64) |
| Security deposits | 1.35 | - | (0.57) | - | - | 0.78 | 0.78 | - |
| Accrued expenses | 6.21 | - | 4.97 | - | 0.04 | 11.22 | 11.22 | - |
| Right-of-use assets | (67.57) | - | 17.02 | - | - | (50.55) | - | (50.55) |
| Lease liabilities | 88.13 | - | (18.97) | - | - | 69.16 | 69.16 | - |
| **Total** | **106.40** | **-** | **(18.93)** | **7.67** | **0.05** | **95.19** | **183.52** | **(88.33)** |
| Setoff of deferred tax assets with deferred tax liabilities (Refer (a)) | | | | | | | (88.33) | 88.33 |
| **Deferred tax assets/ Deferred tax liabilities (net)** | | | | | | | **95.19** | **-** |

**iii Movement in deferred tax balances for the year ended 31 March 2021**

| Particulars | Deferred tax assets/ (liabilities) as at 1 April 2021 | Additions through business combinations | Recognised in profit and loss | Recognised in OCI | Exchange differences on translation of foreign operations/ others | Deferred tax (liabilities)/ assets as at 31 March 2022 | Deferred tax assets | Deferred tax liabilities |
|---|---|---|---|---|---|---|---|---|
| Property plant and equipment and other intangible assets | (59.22) | - | 11.66 | - | - | (47.56) | - | (47.56) |
| Provision for employee benefits | 25.63 | - | 2.80 | 1.48 | - | 29.91 | 29.91 | - |
| Allowance for expected credit losses on trade receivables and other receivables | 19.68 | - | 70.95 | - | - | 90.63 | 90.63 | - |
| Financial liabilities | (0.06) | - | 0.06 | - | - | - | - | - |
| Other financial assets | 7.75 | - | 2.98 | (5.43) | - | 5.30 | 5.30 | - |
| Security deposits | 1.62 | - | (0.27) | - | - | 1.35 | 1.35 | - |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023
*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 36 Movement in deferred taxes (Contd..)

| Particulars | Deferred tax assets/ (liabilities) as at 1 April 2021 | Additions through business combinations | Recognised in profit and loss | Recognised in OCI | Exchange differences on translation of foreign operations/ others | Deferred tax (liabilities)/ assets as at 31 March 2022 | Deferred tax assets | Deferred tax liabilities |
|---|---|---|---|---|---|---|---|---|
| Accrued expenses | 3.58 | - | 2.64 | - | - | 6.21 | 6.21 | - |
| Right-of-use assets | (88.28) | - | 20.71 | - | - | (67.57) | - | (67.57) |
| Lease liabilities | 107.59 | - | (19.46) | - | - | 88.13 | 88.13 | - |
| **Total** | **18.29** | **-** | **92.06** | **(3.95)** | **-** | **106.40** | **221.53** | **(115.13)** |
| Setoff of deferred tax assets with deferred tax liabilities (Refer (a)) | | | | | | | (115.13) | 115.13 |
| **Deferred tax assets/ Deferred tax liabilities (net)** | | | | | | | **106.40** | **-** |

(a) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) Significant management judgement is required in determining deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

## 37 Income tax expense

**(a) Amounts recognised in profit and loss**

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Continuing operations** | | |
| Current tax for continuing operations | 279.41 | 192.26 |
| Adjustment for current tax relating to earlier years | - | (38.99) |
| Deferred tax relating to origination and reversal of temporary differences | 3.60 | 18.93 |
| **Discontinued operations** | | |
| Tax expense/(credit) on discontinued operations @ | (4.26) | 2.53 |
| **Income tax expense reported in the restated consolidated statement of profit and loss** | **278.75** | **174.73** |

@ Includes deferred tax credit of ₹ Nil (31 March 2022: ₹ Nil, 31 March 2021: ₹ 37.01 million)

**(b) Amounts recognised in other comprehensive income (OCI)**

| Particulars | For the period ended 30 June 2023 | | | For the year ended 31 March 2023 | | |
|---|---|---|---|---|---|---|
| | Before tax | Tax benefit | Net of tax | Before tax | Deferred tax | Net of tax |
| **Items that will not be reclassified subsequently to the statement of profit and loss** | | | | | | |
| Remeasurement of defined benefit plans | - | - | - | (4.73) | 1.19 | (3.54) |
| Fair value changes in equity instruments through OCI | - | - | - | (56.73) | (4.77) | (61.50) |
| | **-** | **-** | **-** | **(61.46)** | **(3.58)** | **(65.04)** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 37 Income tax expense (Contd..)

| Particulars | For the year ended 31 March 2022 | | | For the year ended 31 March 2021 | | |
|---|---|---|---|---|---|---|
| | Before tax | Deferred tax | Net of tax | Before tax | Deferred tax | Net of tax |
| **Items that will not be reclassified subsequently to the statement of profit and loss** | | | | | | |
| Remeasurement of defined benefit plans | (28.06) | 7.06 | (21.00) | (5.87) | 1.48 | (4.39) |
| Fair value changes in equity instruments through OCI | (5.33) | 0.61 | (4.72) | 13.93 | (5.43) | 8.50 |
| | **(33.39)** | **7.67** | **(25.72)** | **8.06** | **(3.95)** | **4.11** |

### Reconciliation of income tax expense

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Accounting profit before tax for the year | 1,019.17 | 816.91 |
| Indian statutory income tax rate | 25.17% | 25.17% |
| Tax using Indian statutory income tax rate | 256.53 | 205.62 |
| **Tax effect of:** | | |
| Exempt income | - | - |
| Expenses not allowed for tax purpose | 11.71 | 13.80 |
| Adjustment for current tax relating to earlier years | - | (38.99) |
| Effect of tax base of goodwill non deductible for amortisation* | - | - |
| Demerger expenses | (0.26) | (0.26) |
| Tax effect on dividend | 17.59 | - |
| Effect of different tax rates in foreign jurisdiction | (0.28) | - |
| Others | (6.54) | (5.44) |
| **Income tax expense reported in the restated consolidated statement of profit and loss** | **278.75** | **174.73** |

* Pursuant to the Finance Bill enacted in February 2021, the amortisation of goodwill will not be allowed as tax deduction with effect from 1 April 2020, hence the corresponding tax base of goodwill as at 1 April 2020 became Nil. Therefore, deferred tax charge for the year ended 31 March 2021 includes ₹ 23.16 million being the deferred tax liability recognised by the subsidiary on the difference between the book base and tax base of goodwill consequent upon enactment of above provisions.

## 38 Business combinations

**(i) Acquisition of healthcare services businesses of International Healthcare Management Services Private Limited and Mayfair Consultancy Services India Private Limited**

On 12 October 2022, Medi Assist Healthcare Services Limited (Buyer) entered into Share Purchase Agreement ("SPA") with the promoters of International Healthcare Management Services Private Limited (""IHMS"") and Mayfair Consultancy Services India Private Limited (""Mayfair India"") to acquire the assets and liabilities relating to the business of IHMS and Mayfair India.

The Group considers the business acquired to be a business under Ind AS 103 - Business Combinations and hence accounted for the same by applying the acquisition method on accounting.

The acquired businesses have been included in the Group's Restated Consolidated Financial Information with effect from 18 November 2022, being the date on which the Group acquired control over the businesses.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 38 Business combinations (Contd..)

The 100% acquisition was executed through a share purchase agreement for a consideration of ₹ 85.60 million. Under the SPA, there are no other forms of variable consideration / contingent consideration arrangements.

The Group has done these acquisitions primarily to acquire the specialised work force to provide support services for other Group entities.

### Consideration transferred:

The total fair value of the consideration transferred is determined as follows.

| Particulars | Amount |
|---|---|
| Cash | 85.60 |
| **Total fair value of the consideration transferred for the purpose of computing goodwill** | **85.60** |

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

| Particulars | IHMS - Carrying amount | Mayfair India - Carrying amount | Total fair value |
|---|---|---|---|
| **Assets acquired:** | | | |
| Property, plant and equipment | 0.82 | 0.31 | 1.13 |
| Intangible assets (other than goodwill) | 0.00 | 0.30 | 0.30 |
| Deferred tax assets (net) | 2.52 | 2.05 | 4.57 |
| Other non-current assets | 5.44 | 2.41 | 7.85 |
| Trade receivables | 41.28 | 27.90 | 69.18 |
| Cash and cash equivalents | 4.87 | 11.45 | 16.32 |
| Other financial assets | 1.73 | 1.73 | 3.46 |
| Other current assets | 0.75 | 0.88 | 1.63 |
| **Total assets acquired (a)** | **57.41** | **47.03** | **104.44** |
| **Liabilities assumed:** | | | |
| Trade payables | 3.29 | 2.49 | 5.78 |
| Other financial liabilities | 0.02 | - | 0.02 |
| Other current liabilities | 0.45 | 0.41 | 0.86 |
| Provision for employee benefits | 9.05 | 7.22 | 16.27 |
| Current tax liabilities (net) | 0.44 | 0.40 | 0.84 |
| **Total liabilities assumed (b)** | 13.25 | 10.52 | 23.77 |
| **Net identifiable assets acquired (a-b)** | **44.16** | **36.51** | **80.67** |

* Amount is below the rounding off norm adopted by the Group.

The fair value of trade receivables amounts to ₹69.18 million which approximately equal to its carrying value and the contactual amount. None of the trade receivables are credit impaired and it is expected that the full contractual amount can be collected.

### Calculation of goodwill:

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is allocated to goodwill as computed below.

| Particulars | Amount |
|---|---|
| Total fair value of the consideration transferred for purpose of computing goodwill | 85.60 |
| Less: Fair value of net identifiable assets acquired | 80.67 |
| **Goodwill on acquisition** | **4.93** |

Goodwill of ₹ 4.93 million comprises the value of acquired workforce and expected synergies from the acquisition. Goodwill is not deductible for tax purposes.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 38 Business combinations (Contd..)

**(ii) Acquisition of Third-party administrator services business of Medvantage Insurance TPA Private Limited**

On 14 September 2022, Medi Assist Insurance TPA Private Limited (a subsidiary of the Company) entered into a Share Purchase Agreement ("SPA") with the promoters of Medvantage Insurance TPA Private Limited (""Medvantage"") to acquire 100% equity interest in Medvantage.

The acquired business has been included in the Group's Restated Consolidated Financial Information with effect from 13 February 2023, being the date on which the Group acquired control over the business.

The Group considers the business acquired to be a business under Ind AS 103 - Business Combinations and hence accounted for the same by applying the acquisition method on accounting.

Under the SPA, there are no other forms of variable consideration / contingent consideration arrangements.

The transaction costs of ₹ 4.47 million related to the acquisition have been included in the restated consolidated statement of profit or loss for the year ended 31 March 2023.

The Group has done the acquisition for the addition of new customers and estimated synergies from the acquisition.

**Consideration transferred:**

The total fair value of the consideration transferred is determined as follows.

| Particulars | Amount |
|---|---|
| Cash* | 195.00 |
| **Total fair value of the consideration transferred for the purpose of computing goodwill** | **195.00** |

* Includes advance of Rs 50.00 million which was paid during the year ended 31 March 2022.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

| Particulars | Carrying amount | Fair value adjustment | Fair value |
|---|---|---|---|
| **Assets acquired:** | | | |
| Property, plant and equipment | 5.74 | - | 5.74 |
| Right-of-use assets | 4.34 | - | 4.34 |
| Intangible assets (other than goodwill) | 0.01 | - | 0.01 |
| Customer relationship* | - | 93.80 | 93.80 |
| Non compete fees** | - | 1.10 | 1.10 |
| Income tax assets (net) | 53.48 | - | 53.48 |
| Other non-current financial assets | 36.52 | - | 36.52 |
| Other non-current assets | 0.11 | - | 0.11 |
| Trade receivables | 16.30 | - | 16.30 |
| Cash and cash equivalents | 3.82 | - | 3.82 |
| Other financial assets | 2.10 | - | 2.10 |
| Other current assets | 17.93 | - | 17.93 |
| **Total assets acquired (a)** | **140.35** | **94.90** | **235.25** |
| **Liabilities assumed:** | | | |
| Lease liabilities | 4.34 | - | 4.34 |
| Borrowings | 42.00 | - | 42.00 |
| Trade payables | 52.09 | - | 52.09 |
| Other financial liabilities | 19.22 | - | 19.22 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 38 Business combinations (Contd..)

| Particulars | Carrying amount | Fair value adjustment | Fair value |
|---|---|---|---|
| Deferred tax liabilities (net) | - | 23.89 | 23.89 |
| Contract liabilities | 45.80 | - | 45.80 |
| Other current liabilities | 5.18 | - | 5.18 |
| Provision for employee benefits | 11.05 | - | 11.05 |
| Provision for medical expenses | 34.03 | - | 34.03 |
| **Total liabilities assumed (b)** | **213.71** | **23.89** | **237.60** |
| **Net identifiable assets acquired (a-b)** | **(73.36)** | **71.01** | **(2.35)** |

* Useful life of this asset has been determined as 5 years.

** Useful life of this asset has been determined as 2 years.

The fair value of trade receivables amounts to ₹16.30 million which approximately equal to its carrying value and the contactual amount. None of the trade receivables are credit impaired and it is expected that the full contractual amount can be collected.

### Calculation of goodwill:

The excess of the consideration transferred over the fair value of the net assets acquired is allocated to goodwill as computed below.

| Particulars | Amount |
|---|---|
| Total fair value of the consideration transferred for purpose of computing goodwill | 195.00 |
| Less: Fair value of net identifiable assets acquired | (2.35) |
| **Goodwill on acquisition** | **197.35** |

Goodwill of ₹ 197.35 million comprises the value of acquired workforce and expected synergies from the acquisition. Goodwill is not deductible for tax purposes.

From the date of acquisition, Medvantage has contributed ₹ 24.86 million of revenue and ₹ 6.61 million to the profit before tax from continuing operations to the Group.

### Significant unobservable valuation inputs are provided below for valuations of intangibles:

| Particulars | Customer relationship | Non compete fees |
|---|---|---|
| Valuation approach | Multi period Excess Earnings (MPEEM) | With and without method |
| Discount rate | 13.50% | 13.50% |
| Attrition rate | 8.00% | - |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 38 Business combinations (Contd..)

### (iii) Acquisition of healthcare services business of Mayfair We Care Limited and its subsidiaries

On 12 October 2022, the Company (Buyer) entered into a Share Purchase Agreement ("SPA") with the promoters of Mayfair We Care Limited (""Mayfair UK"") to acquire the assets and liabilities relating to Mayfair UK to acquire 60% equity interest in Mayfair UK..

The Group considers the business acquired to be a business under Ind AS 103 - Business Combinations and hence accounted for the same by applying the acquisition method on accounting.

The acquired business has been included in the Group's Restated Consolidated Financial Information with effect from 25 November 2022, being the date on which the Group acquired control over the business.

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

Under the terms of the SPA, the seller has the right to exercise a put option that would require the Company to purchase the seller's remaining 40% onwership interest in NCI. The terms of SPA also include a reciprocal call option, which would require the sellers to sell their 40% ownership interest to the Company.

Put option liability over NCI is intially recognised as a financial liability at fair value with a corresponding amount of ₹ 67.74 million in other equity. It is initially recognised under equity attributable to owners of the Company as the risks and rewards of the ownership of the NCI interest remain with the NCI until such time as the option is exercised and settled.

The put option liability has been classified as level 3 in the fair value hierarchy that is measured at fair value, which is equal to the present value of the future estimated redemption amount. The fair value of put option liability as at 31 March 2023 has been determined as ₹ 73.36 million (Refer note 16(a)).

The acquisition was executed for a consideration of ₹ 128.64 million. Under the agreement, there are no other forms of variable consideration / contingent consideration arrangements.

The excess of the purchase consideration paid and the NCI measured at fair value over the fair value of assets acquired has been attributed to goodwill. Goodwill majorily includes the value expected from increase in revenues from various streams of business, addition of new customers, and estimated synergies which does not qualify as an intangible asset.

The transaction costs of ₹ 5.22 million related to the acquisition have been included in the restated consolidated statement of profit and loss for the year ended 31 March 2023.

The primary reasons for the acquisition of Mayfair We Care Limited were to get access to Mayfair UK contracts with corporate customers and estimated synergies from the acquisition.

**Consideration transferred:**

The total fair value of the consideration transferred is determined as follows.

| Particulars | Amount |
|---|---|
| Cash | 128.64 |
| Non-controlling interest measured at fair value | 68.10 |
| **Total fair value of the consideration transferred for purpose of computing goodwill** | **196.74** |

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

| Particulars | Carrying amount | Fair value adjustment | Fair value |
|---|---|---|---|
| **Fair value of assets acquired:** | | | |
| Property, plant and equipment | 2.14 | - | 2.14 |
| Intangible assets (other than goodwill) | 0.23 | - | 0.23 |
| Customer relationship* | - | 49.97 | 49.97 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 38 Business combinations (Contd..)

| Particulars | Carrying amount | Fair value adjustment | Fair value |
|---|---|---|---|
| Trade receivables ** | 52.09 | - | 52.09 |
| Cash and cash equivalents | 63.41 | - | 63.41 |
| Other financial assets | 0.60 | - | 0.60 |
| Other current assets | 2.71 | - | 2.71 |
| **Total assets acquired (a)** | **121.18** | **49.97** | **171.15** |
| **Liabilities assumed:** | | | |
| Borrowings | 1.60 | - | 1.60 |
| Trade payables | 81.26 | - | 81.26 |
| Other financial liabilities | 7.42 | - | 7.42 |
| Deferred tax liabilities (net) | - | 9.49 | 9.49 |
| Contract liabilities | 5.00 | - | 5.00 |
| Other current liabilities | 7.92 | - | 7.92 |
| Provision for employee benefits | 0.07 | - | 0.07 |
| **Total liabilities assumed (b)** | **103.27** | **9.49** | **112.76** |
| **Net identifiable assets acquired (a-b)** | **17.91** | **40.48** | **58.39** |

* Useful life of this assets has been determined as 5 years.

"** The fair value of trade receivables amounts to ₹52.09 million which approximately equal to its carrying value and contactual amount, None of the trade receivables are credit impaired and it is expected that the full contractual amount can be collected.

Fair value of acquired tangible assets approximately equal their carrying value.

### Calculation of goodwill:

The excess of the consideration transferred over the fair value of the net assets acquired is allocated to goodwill as computed below.

| Particulars | Amount |
|---|---|
| Total fair value of the consideration transferred for purpose of computing goodwill | 196.74 |
| Less: Fair value of net identifiable assets acquired | 58.39 |
| **Goodwill on acquisition** | **138.35** |

Goodwill of ₹ 138.35 million comprises the value of acquired workforce and expected synergies from the acquisition. Goodwill is not deductible for tax purposes.

From the date of acquisition, the Mayfair UK has contributed ₹ 94.93 million of revenue and ₹ 1.12 million to the profit before tax from continuing operations to the Group.

### Significant unobservable valuation inputs are provided below for valuation of intangibles:

| Assumptions | Customer relationship |
|---|---|
| Valuation approach | Multi period Excess Earnings (MPEEM) |
| Discount rate | 20.10% |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 38 Business combinations (Contd..)

**Significant unobservable valuation inputs are provided below for valuation of Put option:**

| Assumptions | Put option liability over NCI |
|---|---|
| Valuation approach | Monte-carlo simulation |
| Discount factor for credit risk | 1.50% |
| Discount factor for time value | 3.20% |

**Significant unobservable valuation inputs are provided below for valuation of non-controlling interest:**

| Assumptions | Non-controlling interest |
|---|---|
| Valuation approach | Monte-carlo simulation |
| Discount factor for credit risk | 1.50% |
| Discount factor for time value | 3.20% |

## 39 Discontinued operations

**(i) Card processing business**

I During the financial year 2020-21, the Group had decided to discontinue the business operations pertaining to card processing which are mainly generating revenues from government contracts. The Group has disclosed the discontinuation of card processing business as discontinued operations as per the requirements of Ind AS 105 ' Non current assets held for sale and Discontinued operations'.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Trade receivables | 11.91 | 3.75 |
| | **11.91** | **3.75** |
| Trade payables | 41.74 | 51.43 |
| | **41.74** | **51.43** |

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Revenue** | | |
| Revenue from contracts with customers | - | 118.11 |
| **Total income** | **-** | **118.11** |
| **Expenses** | | |
| Employee benefits expense | - | - |
| Other expenses | 23.30 | 109.29 |
| **Total expenses** | **23.30** | **109.29** |
| **Profit/ (loss) before tax from a discontinued operation** | (23.30) | 8.82 |
| **Tax credit / (expense)** | | |
| Related to pre-tax profit/(loss) @ | 5.86 | (2.22) |
| | **5.86** | **(2.22)** |
| **Profit/ (loss) after tax from a discontinued operation (attributable to the owners of the Company)** | **(17.44)** | **6.60** |

@ Includes deferred tax credit of ₹ Nil (31 March 2022: ₹ Nil, 31 March 2021: ₹ 37.01 million)

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 39 Discontinued operations (Contd..)

**II Net cash flows attributable to the discontinued operation**

| Particulars | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| Net cash from/ (used in) operating activities - | (A) | (35.57) | 99.23 |
| Net cash from/ (used in) investing activities - | (B) | - | - |
| Net cash from/ (used in) financing activities - | (C) | - | - |
| **Net increase/ (decrease) in cash and cash equivalents(A+B+C)** | | **(35.57)** | **99.23** |

**(ii) Pre-policy checkup services**

**I** During the financial year 2021-22, the Group had decided to discontinue the business operations pertaining to pre-policy checkup services. The Group has disclosed the discontinuation of pre-policy checkup business as discontinued operations as per the requirements of Ind AS 105 ' Non current assets held for sale and Discontinued operations'. The Group has re-represented the comparative information for financial year 2020-21 due to such discontinued operations.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Trade receivables | 16.30 | 31.55 |
| Unbilled receivables | 2.57 | 7.10 |
| Other receivables | 4.46 | 30.75 |
| | **23.33** | **69.40** |
| Trade payables | 39.88 | 71.05 |
| Other payables | 4.46 | 30.75 |
| | **44.34** | **101.80** |

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Revenue** | | |
| Revenue from contracts with customers | - | 25.05 |
| **Total income** | - | 25.05 |
| **Expenses** | | |
| Other expenses | 15.91 | 23.83 |
| **Total expenses** | **15.91** | **23.83** |
| **Profit/ (loss) before tax from a discontinued operation** | **(15.91)** | **1.22** |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 39 Discontinued operations (Contd..)

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| **Tax credit / (expense)** | | |
| Related to pre-tax profit/(loss) | 4.00 | (0.31) |
| | **4.00** | **(0.31)** |
| **Profit/ (loss) after tax from a discontinued operation (attributable to the owners of the Company)** | **(11.91)** | **0.91** |

### II Net cash flows attributable to the discontinued operation

| Particulars | | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| Net cash generated/ (used) in from operating activities - | (A) | - | 11.66 |
| Net cash generated/ (used) in investing activities - | (B) | - | - |
| Net cash generated/ (used) in financing activities - | (C) | - | - |
| **Net increase/ (decrease) in cash and cash equivalents** | **(A+B+C)** | **-** | **11.66** |

### (iii) Summary of discontinued operations

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Profit/ (loss) before tax from a discontinued operation of card processing business | (23.30) | 8.82 |
| Profit/ (loss) before tax from a discontinued operation of pre-policy checkup services | (15.91) | 1.22 |
| **Profit/(loss) before tax for the year from discontinued operations** | **(39.21)** | **10.04** |
| Tax credit / (expense) of discontinued operations for the year | 9.87 | (2.53) |
| **Profit/(loss) for the year from discontinued operations** | **(29.34)** | **7.51** |

## 40 Material partly-owned subsidiaries

**Consolidated financial information of subsidiaries that have material non-controlling interests is provided below:**

| Name of subsidiaries | Country of incorporation | % of NCI Interest | | |
|---|---|---|---|---|
| | | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
| Mayfair We Care Ltd (w.e.f 25 November 2022) * | United Kingdom | 40 | - | - |

* Including its subsidiaries

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023
*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 40 Material partly-owned subsidiaries (Contd..)

**The summarised consolidated financial information of Mayfair We Care Ltd is provided below. This information is based on amounts before inter-company eliminations and consolidated adjustments.**

The consolidated financial information of the Mayfair We Care Ltd has been prepared by the management from the date of acquisition i.e 25 November 2022 till 31 March 2023 which has been considered for the preparation of Restated Consolidated Financial Information of the Group.

Summarised statement of profit and loss for the period ended 31 March 2023:

| Particulars | For the year ended 31 March 2023 |
|---|---|
| Revenue from contracts with customers | 94.93 |
| Employee benefits expenses | (19.82) |
| Depreciation and amortisation expenses | (0.23) |
| Other expenses | (73.76) |
| **Profit before tax** | **1.12** |
| Income tax | - |
| **Profit after tax for the year** | **1.12** |
| **Other comprehensive income** | |
| Exchange differences on translation of foreign operations | 1.30 |
| **Total comprehensive income** | **2.42** |

Summarised balance sheet as at 31 March 2023:

| Particulars | As at 31 March 2023 |
|---|---|
| Non-current assets | 2.24 |
| Current assets | 117.79 |
| Current liabilities | (99.70) |
| **Total equity** | **20.33** |

Summarised cash flow statement for the period ended 31 March 2023:

| Particulars | | For the period ended 31 March 2023 |
|---|---|---|
| Net cash from/ (used in) operating activities - | (A) | 19.78 |
| Net cash from/ (used in) investing activities - | (B) | - |
| Net cash from/ (used in) financing activities - | (C) | (0.89) |
| **Net increase in cash and cash equivalents** | **(A+B+C)** | **18.89** |

## 41 Expenditure incurred in foreign currencies

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Fees for technical services | 8.77 | 2.86 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 42 Corporate Social Responsibility ("CSR")

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| (a) Amount required to be spent by the Group during the year | 12.50 | 10.70 |
| (b) Amount approved by the Board of the respective companies of the Group to be spent during the year | 12.50 | 10.70 |
| (c) Amount of expenditure incurred | 12.50 | 10.70 |
| (d) Shortfall at the end of the year | - | - |
| (e) Total of previous years shortfall | - | - |
| (f) Reason for shortfall | - | - |
| (g) Nature of CSR activities | The area for CSR activities is livelihood enhancement and employment enhancing vocational skills by way of providing training in a wide array of functional areas to persons at various locations of the Group across India. | The area for CSR activities is livelihood enhancement and employment enhancing vocational skills by way of providing training in a wide array of functional areas to persons at various locations of the Group across India. |

### Movement of CSR expense during 2022-23

| Opening Balance | Amount required to be spent during the year | Amount spent during the year | Closing Balance |
|---|---|---|---|
| - | 12.50 | (12.50) | - |

### Movement of CSR expense during 2021-22

| Opening Balance | Amount required to be spent during the year | Amount spent during the year | Closing Balance |
|---|---|---|---|
| - | 10.70 | (10.70) | - |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023
*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures

**(A) Names of the related parties and description of relationship**

**(i) Name of related parties where control exists irrespective of whether transaction have occurred or not**

| | |
|---|---|
| Subsidiaries | Medi Assist Insurance TPA Private Limited - ("MATPA") |
| | International Healthcare Management Services Private Limited (w.e.f. 18 November 2022) |
| | Mayfair Consultancy Services India Private Limited (w.e.f. 18 November 2022) |
| | Mayfair We Care Ltd - ("MWCL") (w.e.f. 25 November 2022) |
| Step down subsidiaries | Medvantage Insurance TPA Private Limited (w.e.f. 13 February 2023) - Subsidiary of MATPA ("Medvantage") |
| | Mayfair Group Holding Subcontinent Limited (w.e.f. 25 November 2022) - Subsidiary of MWCL |
| | Mayfair We Care Philippines Inc (w.e.f. 25 November 2022) - Subsidiary of MWCL |
| | Mayfair We Care Pte Ltd (w.e.f. 25 November 2022) - Subsidiary of MWCL |

**(ii) Name of other related parties with whom transaction have taken place during the year**

| | |
|---|---|
| Entity having significant influence | Medimatter Health Management Private Limited |
| Key management personnel (KMP) of the Company | Dr. Vikram Jit Singh Chhatwal - Chairman cum Whole Time Director w.e.f. 01 March 2021 |
| | Satish Gidugu -Whole Time Director and CEO w.e.f. 01 March 2021 |
| | Vishal Vijay Gupta - Director |
| | Himani Atul Kapadia- Independent Director w.e.f. 15 March 2021 |
| | Gaurav Sharma - Nominee Director |
| | Gopalan Srinivasan - Independent Director w.e.f. 15 March 2021 |
| | Anil Chanana - Independent Director w.e.f. 15 March 2021 |
| | Dr. Ritu Niraj Anand - Independent Director w.e.f. 15 March 2021 |
| | Ananda Mukerji - Independent Director w.e.f. 15 March 2021 |
| | Mathew George - Chief Financial Officer w.e.f. 03 March 2021 |
| | Megha Matoo - Chief Compliance Officer and Company Secretary (from 05 March 2021 up to 17 February 2023) |
| | Simmi Bisht - Chief Compliance Officer and Company Secretary (w.e.f. 17 February 2023) |
| Other Key management personnel (KMP) of Subsidiaries | Nikhil Chopra - Director |
| | Srimathi Ranganathan - Director |
| | Suchitra Krishnakumar - Company Secretary |
| Entities under the common control | Phasorz Technologies Private Limited |
| | Mandala Wellness Private Limited ('MWPL')* |
| Entities having common director | Buddhimed Technologies Private Limited |

* MWPL Merged with Phasorz Technologies Private Limited w.e.f. 1 April 2022. The transactions and balances with MWPL during the year 31 March 2021 have been merged with Phasorz Technologies Private Limited for the purpose of Related party disclosure in Notes 43 (B) and 43 (C) below.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures (Contd..)

**(B) Summary of transactions with the above related parties are as follows :**

| Particulars | Note | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Consultancy fees to** | | | |
| Medimatter Health Management Private Limited | | - | - |
| Buddhimed Technologies Private Limited | | - | - |
| **Support service income from** | | | |
| Phasorz Technologies Private Limited | | 25.59 | 39.90 |
| **Health management services from** | | | |
| Phasorz Technologies Private Limited | | - | - |
| **Support service fee paid to** | | | |
| Phasorz Technologies Private Limited | (a) | 15.11 | 23.86 |
| **Interest on debentures** | | | |
| Medimatter Health Management Private Limited | | - | - |
| **Conversion of redeemable preference shares to Series B CCPS** | | | |
| Medimatter Health Management Private Limited | | - | - |
| **Conversion of Series B CCPS to equity shares (including premium)** | | | |
| Medimatter Health Management Private Limited | | - | - |
| **Reimbursement of expenses to** | | | |
| Phasorz Technologies Private Limited | | | |
| Health screenings | (a) | 45.53 | 153.12 |
| Wellness Services | | 103.88 | - |
| **Advance received** | | | |
| Phasorz Technologies Private Limited | | - | - |
| **Reimbursement of charges from** | | | |
| **Phasorz Technologies Private Limited** | | | |
| Facilities and other expenses | | 13.29 | 12.83 |
| Expenses cross charge | (b) | - | - |
| **Repayment of non convertible debentures** | | | |
| Medimatter Health Management Private Limited | | - | - |
| **Dividend paid** | | | |
| Dr. Vikram Jit Singh Chhatwal | | 4.80 | 6.35 |
| Medimatter Health Management Private Limited | | 36.36 | 48.10 |
| **Business promotion expense** | | | |
| Phasorz Technologies Private Limited | | 64.53 | 24.50 |
| **Interest income** | | | |
| Phasorz Technologies Private Limited | | - | - |
| **Reimbursement of expenses to KMP** | | | |
| Dr. Vikram Jit Singh Chhatwal | | 2.33 | 0.24 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures (Contd..)

| Particulars | Note | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| **Compensation of key management personnel** | | | |
| i) Short term employee benefits | (c) | 65.80 | 54.59 |
| ii) Employee stock option expense | | 12.01 | 10.37 |
| iii) Director sitting fees | | 6.30 | 4.41 |
| iv) Commission to independent directors | | 3.00 | 2.50 |

(a) During the year ended 31 March 2021, these transaction are carried out with MWPL by MATPA, the subsidiary company through the Company.

(b) During the year ended 31 March 2021, the expenses reflected in Restated Consolidated Statement of Profit and Loss are net of those cross charged to the MWPL and the management is confident of recovering the entire other receivable balance including the cross charge amount. Also refer note 43 (C) (c) below.

(c) As the liability for gratuity and compensated absence is provided on an actuarial basis for the Group as a whole, the amount pertaining to key managerial personnel are not ascertainable and, therefore not included in the compensation.

(d) In the opinion of the management, all transactions were made on normal commercial terms and conditions.

**(C) The Group has the following amount due from/ to related parties**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **Trade receivables** | | |
| Phasorz Technologies Private Limited | 47.57 | 101.81 |
| **Unbilled receivables** | | |
| Phasorz Technologies Private Limited | - | 30.00 |
| **Other receivables** | | |
| Phasorz Technologies Private Limited | 0.88 | 33.36 |
| **Trade payables** | | |
| Phasorz Technologies Private Limited | 48.39 | 78.81 |
| **Employee benefits payables (Other financial liabilities)** | | |
| Dr. Vikram Jit Singh Chhatwal | 8.75 | 5.00 |
| Satish Gidugu | 6.38 | 3.00 |
| Megha Matoo | - | 1.50 |
| Mathew George | 3.55 | 4.00 |
| Simmi Bisht | 0.34 | - |
| **Advance received** | | |
| Phasorz Technologies Private Limited | - | - |
| **Other payables** | | |
| Phasorz Technologies Private Limited | 30.44 | 37.50 |

(a) In addition to the above amounts due from/to related parties, the Group has a receivable of ₹ 134.83 million (31 March 2022: ₹ 101.38 million, 31 March 2021: Rs Nil) from certain selling shareholders relating to reimbursement of the proposed IPO related expenses incurred by the Company on their behalf. As the amount to be reimbursed by each shareholder will vary in proportion to the shares offered for sale by each shareholder in the proposed IPO, the amount pertaining to related parties are not separately ascertainable.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures (Contd..)

(b) The Honorable National Company Law Tribunal, Bengaluru bench on 4 November, 2020 sanctioned the Scheme of Arrangement amongst Mandala Wellness Private Limited (""MWPL"") and the Company and their respective shareholders and creditors ("the Scheme") for the demerger of the Consumer Health Business (CH Business). Upon the scheme becoming effective, MWPL continued to use the legal entity name of Medi Assist Healthcare Services Limited including the GSTIN registration details for the conduct of their CH business activity i.e., raising of their tax invoices for services rendered.

Based on an independent opinion, Management is of the view that deficiency in tax invoices, if any, owing to the contractual and legal changes which is yet to take place does not invite any penal consequences on the Group. As per the independent opinion, the Group is in the process of putting the following safeguards in place:

- Declaration are to be made in the invoices raised stating these are raised on behalf of MWPL by the Group.
- Preparing the necessary reconciliation between the books of accounts, financial statement and GSTIN return along with reasons by the Group
- Intimating the jurisdictional GST officer explaining the demerger transactions and accounting and the reasons for using GSTIN of the Group in the tax invoices of MWPL.

Subsequently, the Group has entered into an indemnity arrangement dated 14 November 2021 with MWPL, whereby MWPL has agreed to indemnify the Group for any losses suffered, expenses incurred and claims/ interest/ penalty for non-compliances (if any) as may be imposed by the regulatory authorities on the Group for usage of the Company name and GSTIN registration by MWPL.

Based on its assessment and the independent opinion obtained by the Group, the management believes that the abovementioned matter would not have any financial or regulatory impact on the Group.

(c) As per the agreement entered into between the Company and Mandala Wellness Private Limited ('MWPL"),the Company had to make payments on behalf of MWPL and recover the same from MWPL. However, inadvertently, during the year MATPA, the subsidiary company had made certain payments on behalf of MWPL amounting to ₹73.12 Million (excluding GST), which later were identified as part of management internal reconciliations/review of financial records. Subsequently, the subsidiary company cross charged the aforementioned payments to its Company (including GST), and later the Company cross charged these payments to Mandala Wellness Private Limited (including GST). The amounts recoverable from MWPL are disclosed as receivable as of March 31, 2021, and the same has been recovered after year-end.

### (D) Transactions eliminated during the year: *

#### (i) Medi Assist Healthcare Services Limited

| Name of Related Party | Nature of transaction | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| Medi Assist Insurance TPA Private Limited | Support service income | - | - |
| MayFair We Care limited | Support service income | 0.28 | - |
| Medi Assist Insurance TPA Private Limited | Software subscription income | 557.15 | 462.14 |
| Medi Assist Insurance TPA Private Limited | Reimbursement of charges received | 19.76 | 17.74 |
| Medvantage Insurance TPA Pvt Ltd | Reimbursement of charges received | 0.44 | - |
| Medi Assist Insurance TPA Private Limited | Reimbursement of expenses paid | 25.14 | 21.48 |
| Medi Assist Insurance TPA Private Limited | Dividend Received | 200.00 | - |
| Medi Assist Insurance TPA Private Limited | Guarantee expense | - | - |
| Medi Assist Insurance TPA Private Limited | Transfer of CWIP from | 41.44 | 35.74 |
| Medi Assist Insurance TPA Private Limited | Transfer of asset from | 17.50 | - |
| Medi Assist Insurance TPA Private Limited | Gratuity transfer (Out)/ in | - | 8.45 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures (Contd..)

### (ii) Medi Assist Insurance TPA Private Limited

| Name of Related Party | Nature of transaction | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| Medi Assist Healthcare Services Limited | Support service fee | - | - |
| Medi Assist Healthcare Services Limited | Software subscription charges | 557.15 | 462.14 |
| Medi Assist Healthcare Services Limited | Dividend paid | 200.00 | - |
| Medi Assist Healthcare Services Limited | Reimbursement of expenses paid | 19.76 | 17.74 |
| Medi Assist Healthcare Services Limited | Reimbursement of charges received | 25.14 | 21.48 |
| Medi Assist Healthcare Services Limited | Transfer of CWIP to | 41.44 | 35.74 |
| Medi Assist Healthcare Services Limited | Transfer of asset to | 17.50 | - |
| Medi Assist Healthcare Services Limited | Gratuity transfer (Out)/ in | - | 8.45 |
| Medvantage Insurance TPA Pvt Ltd | Gratuity transfer (Out)/ in | 8.26 | - |
| Medi Assist Healthcare Services Limited | Guarantee income | - | - |

### (iii) International Healthcare Management Services Private Limited

| Name of Related Party | Nature of transaction | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| MayFair We Care limited | Support service income | 24.70 | - |
| Mayfair Consultancy Services India Private Limited | Reimbursement of charges received | 0.10 | - |

### (iv) Mayfair Consultancy Services India Private Limited

| Name of Related Party | Nature of transaction | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| MayFair We Care limited | Support service income | 16.08 | - |
| International Healthcare Management Services Private Limited | Reimbursement of expenses paid | 0.10 | - |

### (v) MayFair We Care limited

| Name of Related Party | Nature of transaction | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| Medi Assist Healthcare Services Limited | Support service fee | 0.28 | - |
| International Healthcare Management Services Private Limited | Support service fee | 24.70 | - |
| Mayfair Consultancy Services India Private Limited | Support service fee | 16.08 | - |
| Mayfair We Care Philippines Inc | Support service fee | 12.06 | - |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures (Contd..)

### (vi) Medvantage Insurance TPA Pvt Ltd

| Name of Related Party | Nature of transaction | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| Medi Assist Healthcare Services Limited | Reimbursement of expenses paid | 0.44 | - |
| Medi Assist Insurance TPA Private Limited | Gratuity transfer (Out)/ in | 8.26 | - |

### (vii) Mayfair We Care Philippines Inc

| Name of Related Party | Nature of transaction | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| MayFair We Care limited | Support service income | 12.06 | - |

* As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations

### (E) Balances eliminated as at the end of the year: *

### (i) Medi Assist Healthcare Services Limited

| Name of Related Party | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| Medi Assist Insurance TPA Private Limited | Trade receivables | 69.24 | 215.94 |
| Mayfair We Care Limited | Trade receivables | 0.34 | - |
| Medi Assist Insurance TPA Private Limited | Other receivables | 4.54 | - |
| Medvantage Insurance TPA Pvt Ltd | Other receivables | 0.44 | - |
| Medi Assist Insurance TPA Private Limited | Trade Payables | 16.89 | - |
| Medi Assist Insurance TPA Private Limited | Payable towards capital expenditure | 26.29 | 35.74 |
| Medi Assist Insurance TPA Private Limited | Other payables | - | 33.78 |

### (ii) Medi Assist Insurance TPA Private Limited

| Name of Related Party | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| Medi Assist Healthcare Services Limited | Trade payables | 69.24 | 215.94 |
| Medi Assist Healthcare Services Limited | Other payables | 4.54 | - |
| Medi Assist Healthcare Services Limited | Other receivables | 43.18 | 69.52 |
| Medvantage Insurance TPA Pvt Ltd | Other payables | 8.26 | - |

### (iii) International Healthcare Management Services Private Limited

| Name of Related Party | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| Mayfair We Care Limited | Trade receivables | 37.28 | - |
| Mayfair Consultancy Services India Private Limited | Other payables | 0.10 | - |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures (Contd..)

### (iv) Mayfair Consultancy Services India Private Limited

| Name of Related Party | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| Mayfair We Care Limited | Trade receivables | 24.24 | - |
| International Healthcare Management Services Private Limited | Other receivables | 0.10 | - |

### (v) MayFair We care limited

| Name of Related Party | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| International Healthcare Management Services Private Limited | Trade payables | 37.28 | - |
| Mayfair Consultancy Services India Private Limited | Trade payables | 24.24 | - |
| Medi Assist Healthcare Services Limited | Trade payables | 0.34 | - |

### (vi) Medvantage Insurance TPA Pvt Ltd

| Name of Related Party | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| Medi Assist Healthcare Services Limited | Other receivables | 0.44 | - |
| Medi Assist Insurance TPA Private Limited | Other receivables | 8.26 | - |

*** As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations**

**(F) Details of the transactions and balances in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**

**Name of Key Managerial Personnel (KMP) of the consolidated group entities as disclosed in the separate financial statements of the consolidated group entities other than disclosed in note 43(B) above.**

### Summary of transactions with the above KMP are as follows :

| Particulars | Nature of transaction | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|---|
| Nikhil Chopra | Short term employee benefits | 12.73 | 8.89 |
| Nikhil Chopra | Reimbursement of expenses | 0.04 | - |
| Srimathi Ranganathan | Director sitting fees | 0.85 | 0.77 |

### Summary of balances with the above KMP are as follows :

| Particulars | Nature of transaction | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| Nikhil Chopra | Employee benefit payable | 12.73 | 8.89 |

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures (Contd..)

**# Micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the micro enterprises and small enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'). Accordingly, the disclosures in respect of the amounts payable to such enterprises as at 31 March 2023; 31 March 2022 and 31 March 2021 have been made in the Restated Consolidated Financial Information based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has the following dues to micro enterprises and small enterprises as at 31 March 2023, 31 March 2022 and 31 March 2021.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year: | | |
| Principal amount due to micro enterprises and small enterprises | 68.62 | 32.32 |
| Interest due on above | 1.23 | 1.20 |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| The amount of interest due and payable for the period 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 Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | 2.43 | 1.20 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

**# Additional regulatory information required under Schedule III**

**(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Wilful defaulter**

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(iii) Relationship with struck off companies**

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(iv) Compliance with number of layers of companies**

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures (Contd..)

### (v) Utilisation of borrowed funds and share premium

I The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

### (vi) Undisclosed income

There is no income surrendered or disclosed as income during the respective years in the tax assessments under the Income - tax act, 1961, that has not been recorded in the books of account.

### (vii) Valuation of property plant and equipment, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year ended 31 March 2023, 31 March 2022 and 31 March 2021.

The Group does not have any investment property.

# **The Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.**

# **Exceptional item**

Pursuant to board resolution, an amount of ₹ Nil (31 March 2022: ₹ 26.11 million, 31 March 2021: ₹ Nil) was credited to the restated consolidated statement of profit and loss (as an exceptional item) relating to the proposed Initial Public Offering (IPO) expenses incurred by the Company on behalf of certain selling shareholders and agreed to be reimbursed by them in proportion to their shares offered for sale at the time of the proposed IPO.

# **Proposed acquisition**

### (i) Acquisition of TPA business of Raksha Health Insurance Private Limited

On 22 March 2023, a subsidiary of the Group, Medi Assist Insurance TPA Private Limited (""MATPA"") (Buyer) and Raksha Health Insurance TPA Private Limited (""RHI TPA"") (Seller) entered into a Share Purchase Agreements ("SPAs") under which the Seller agreed to transfer assets and liabilities relating to the India Healthcare Services Business.

The 100% acquisition is subject to regulatory approvals and will be executed for a consideration which will be decided based on the Closing Management Accounts as on the acquisition date.

### (ii) Acquisition of self funded business of Alinea Healthcare Private Limited

On 11 May 2023, the Company entered into a Business Transfer Agreement ("BTA") with Alinea Healthcare Private Limited (""AHPL"") under which AHPL agreed to transfer the business undertaking relating to the claim a management for self funded corporate clients on a going concern on a slump sale basis.

The transfer was executed for a consideration of Rs 5.63 million. Under the BTA, there are no other forms of variable consideration / contingent consideration arrangements. The Group is in the process of completing the valuation exercise to determine fair value of identifiable assets and liabilities, hence additional disclosure such as the details of assets acquired and liabilities assumed have not been made in these Restated Consolidated Financial Information.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## 43 Related party disclosures (Contd..)

**# Scheme of merger with the Medvantage Insurance TPA Private Limited**

Subsequent to the balance sheet date on 13 April 2023, the board of directors of the Medi Assist Insurance TPA Private Limited has approved a scheme of merger with Medvantage Insurance TPA Private Limited on a going concern basis, to optimise revenue and utilise synergies across operations since the subsidiary companies are in the similar line of business. The subsidiary companies are in the process of filing requisite documentations and seeking relevant approvals from the relevant authorities.

**# The Code on Social Security 2020**

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the Restated Consolidated Financial Information in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**# Non-current assets held for sale**

| Particulars | Notes | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|---|
| Other intangible assets | | | |
| IHX platform* | 7 | - | - |
| Total | | - | - |

* On 7 December 2020, the Board of Directors of the Company granted in-principle approval for sale of IHX platform (included under other intangible assets) and consequently, pursuant to the requirements of Ind AS 105 - Non Current Assets held for Sale and Discontinued Operations, the Company has classified the assets as at 31 March 2021 as non-current assets held for sale which was sold off during the year ended 31 March 2022.

**# Impact of COVID-19 (pandemic)**

The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. The Group has continued to adopt measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group has considered internal and external information while finalizing various estimates in relation to its financial statement captions up to the date of approval of the Restated Consolidated Financial Information by the Board of Directors. The Group will continue to closely monitor any material changes to future economic conditions.

**# Events after the reporting date**

The Group evaluated all events or transactions that occurred after the balance sheet date through the date at which the financial statements were available to be issued and determined that there are no other items to disclose except those already disclosed in the Restated Consolidated Financial Information in earlier notes.

**# The previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with those of the current year's classification.**

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## Part A: Statement of Restatement Adjustments to Audited Consolidated Financial Statements

**Reconciliation of total equity as per the audited consolidated financial statements for the year ended 31 March 2023 and 31 March 2022 and the audited special purpose consolidated financial statements for the year ended 31 March 2021 with the total equity as per the Restated Consolidated Financial Information**

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Total equity (as per the audited consolidated financial statements/ audited special purpose consolidated financial statements) | 3,836.72 | 3,392.86 |
| Adjustments | - | - |
| **Total equity as per the restated consolidated statement of assets and liabilities** | **3,836.72** | **3,392.86** |

**Reconciliation of profit for the year after tax as per the audited consolidated financial statements for the year ended 31 March 2023 and 31 March 2022 and the audited special purpose consolidated financial statements for the year ended 31 March 2021 with the restated profit after tax as per the Restated Consolidated Financial Information**

| Particulars | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Profit for the year (as per the audited consolidated financial statements/ audited special purpose consolidated financial statements) | 740.42 | 642.18 |
| Adjustments | - | - |
| **Restated profit for the year as per the restated consolidated statement of profit and loss** | **740.42** | **642.18** |

## Part B: Material regrouping

(i) Appropriate regroupings have been made in the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss and the restated consolidated statements of cash flows, wherever required, by reclassification of the corresponding items of assets, liabilities, income, expenses and cash flows, in order to bring them in line with the accounting policies and classification as per the Restated Consolidated Financial Information of the Group for the year ended 31 March, 2023 prepared in accordance with Schedule III of the Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

| Particulars | 31 March, 2021* (Reported) | 31 March, 2021 (Restated) | Change | Nature |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Loans receivables | 61.87 | - | (61.87) | Reclassification |
| Other financial assets | 0.62 | 62.49 | 61.87 | Reclassification |
| **Current assets** | | | | |
| Loans receivables | 19.86 | - | (19.86) | Reclassification |
| Other financial assets | 206.78 | 222.80 | 16.02 | Reclassification |
| Other current assets | 117.70 | 121.54 | 3.84 | Reclassification |

* As per audited special purpose consolidated financial statements

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## Part B: Material regrouping (Contd..)

| Particulars | 31 March, 2021* (Reported) | 31 March, 2021 (Restated) | Change | Nature |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Other financial assets | 34.05 | 58.93 | 24.88 | Reclassification |
| **Current assets** | | | | |
| Other financial assets | 249.11 | 224.23 | (24.88) | Reclassification |
| **Current liabilities** | | | | |
| Other financial liabilities | 91.55 | 132.94 | 41.39 | Reclassification |
| Other current liabilities | 257.52 | 216.13 | (41.39) | Reclassification |
| **Income tax expense** | | | | |
| Current tax | 153.27 | 192.26 | 38.99 | Reclassification |
| Adjustment for tax relating to earlier years | - | (38.99) | (38.99) | Reclassification |

The above reclassifications in previous year have been made, wherever necessary to conform to the current year classification/ disclosure and do not have any impact on the profit, hence there is no change in the restated basic and diluted earnings per share of the previous year. These reclassifications do not have any impact on the restated equity at the beginning of 31 March, 2022 and 31 March, 2021.

## Part C: Non adjusting items

Audit qualifications for the respective years, which do not require any adjustments in the Restated Consolidated Financial Information are as follows:

a) There are no audit qualification in auditor's report on the statutory consolidated financial statements for the year ended 31 March, 2023, 31 March, 2022 and in the auditor's report on the special purpose consolidated financial statements for the year ended 31 March, 2021.

b) Other audit qualifications included in the annexure to the Auditors' reports issued under Companies (Auditor's Report) Order, 2020, on the consolidated financial statements for the year ended 31 March, 2023 and 31 March, 2022 which do not require any corrective adjustment in the Restated Consolidated Financial Information are as follows:

### As at and for the year ended 31 March, 2023

**Clause (vii)(a) of Companies (Auditor's Report) Order, 2020**

**(i) Medi Assist Healthcare Services Limited**

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited by the Company with appropriate authorities though there has been slight delays in few cases.

**(ii) Medi Assist Insurance TPA Private Limited**

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

**(iii) Medvantage Insurance TPA Private Limited**

In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## Part C: Non adjusting items (Contd..)

**As at and for the year ended 31 March, 2023**

**Clause (xi)(a) of Companies (Auditor's Report) Order, 2020**

**(i) Medi Assist Insurance TPA Private Limited**

Based on our examination of the Company's books and records, conducted in accordance with the generally accepted auditing practices in India, and the information and explanations provided to us, we report that no material fraud involving the Company or affecting the Company's operations has been identified or reported during our audit. However, the Company has identified few instances of an employee collusion, based on a whistleblower report. According to an assessment by an external consultant, the estimated total impact of these cases is likely to be Rs 2.97 million. The corresponding amount has been fully accounted for in the financial statements. The management has taken appropriate measures to enhance the effectiveness of its operational controls.

**As at and for the year ended 31 March, 2023**

**Clause (xvii) of Companies (Auditor's Report) Order, 2020**

**(i) Medvantage Insurance TPA Private Limited**

The Company has incurred cash losses amounting to ₹ 116.03 million in the current financial year but had not incurred cash losses in the immediately preceding financial year.

**As at and for the year ended 31 March, 2022**

**Clause (vii)(a) of Companies (Auditor's Report) Order, 2020**

**(i) Medi Assist Healthcare Services Limited**

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

**(ii) Medi Assist Insurance TPA Private Limited**

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty Of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases of provident fund, employees' state insurance and professional tax.

**As at and for the year ended 31 March, 2022**

**Clause (xvii) of Companies (Auditor's Report) Order, 2020**

**(i) Medi Assist Healthcare Services Limited**

Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. However, the previous auditor had issued a disclaimer of opinion in his independent auditor's report dated November 23, 2021, on those preceding year financial Statements, consequently we are unable to comment if any effect needs to be considered for the purpose of reporting under this clause.

**(ii) Medi Assist Insurance TPA Private Limited**

Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. However, the previous auditor had issued a disclaimer of opinion in his independent auditor's report dated November 16, 2021, on those preceding year financial statements, consequently we are unable to comment if any effect needs to be considered for the purpose of reporting under this clause.

# Notes to the Restated Consolidated Financial Information

for the year ended 31 March 2023

*(All amounts are in Indian Rupees in millions, unless otherwise stated)*

## Part D: Emphasis of matter not requiring adjustment to the Restated Consolidated Financial Information.

**Emphasis of Matter - as included in the Auditor's Report on the Special Purpose Consolidated Financial Statements for the year ended 31 March, 2021.**

We draw attention to Note 38 G to the Special Purpose Consolidated Financial Statements regarding certain payments made inadvertently by the Subsidiary Company on behalf Of Mandala Wellness Private Limited ("MWPL") amounting to ₹73.12 Million (excluding CST). During the financial year post review, these payments were cross charged by the Subsidiary Company to its Holding Company (including GST) which was further cross charged by the Holding Company to MWPL (including GST). These amounts are disclosed as Receivables in these Special Purpose Consolidated Financial Statements as at 31 March, 2021, and were fully recovered after the year-end.

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII.

As per our report of even date.

**For M S K A & Associates**
Chartered Accountants
Firm Registration Number: 105047W

**Amit Kumar Jhunjhunwala**
Partner
Membership No: 067183

Place: Bengaluru
Date: 02 August 2023

**For and on behalf of the Board of Directors of**
**Medi Assist Healthcare Services Limited**
CIN:U74900KA2000PLC027229

**Dr. Vikram Jit Singh Chhatwal**
Chairman and Director
DIN: 01606329

**Satish V N Gidugu**
Whole Time Director and CEO
DIN: 06643677

**Mathew George**
Chief Financial Officer

**Simmi Bisht**
Chief Compliance Officer and Company Secretary
ICSI Membership No: A-23360

Place: Bengaluru
Date: 02 August 2023

Place: Bengaluru
Date: 02 August 2023

# Notes

# Notes

Medi Assist™

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