Bajaj Finserv Health Limited
CIN: U85320PN2019PLC185286
Registered. Office: Bajaj Auto Ltd. Complex,
Mumbai - Pune Road, Akurdi, Pune- 411035
Email id: sonal.tiwari@bajajfinserv.in
Website: www.bajajfinservhealth.in
Tel. No.: (020) 6610 7458

AGM NOTICE

Notice is hereby given that the Second Annual General Meeting ('AGM') of the members of Bajaj Finserv Health Ltd. will be held on Monday, **19 July 2021** at **04.30 p.m.** at registered office of the Company at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035 to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31 March 2021, together with the Directors' and Auditors' Reports thereon.

2. To appoint a director in place of Shri Anish Praful Amin (DIN 00070679), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

By order of the Board of Directors
For Bajaj Finserv Health Ltd.

Sonal R Tiwari
Digitally signed by Sonal R Tiwari
Date: 2021.06.26 18:37:36 +05'30'

Sonal R Tiwari
Authorised Signatory

Pune: 26 June 2021

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS UP TO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days' written notice is given to the Company.

3. Proxies submitted on behalf of the companies / bodies corporate etc., must be supported by an appropriate resolution/ authority, as applicable.

4. Documents referred to in this Notice, if any, will be kept open for inspection by members at the registered office during Monday to Friday from 10.00 a.m. to 12.30 p.m. except holidays, up to the date of the AGM.

5. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Akurdi, Pune, which are open for inspection by member on all working days during business hours, in terms of the applicable provisions of the Companies Act, 2013 (the 'Act'):

    a. Register of contracts or arrangements in which directors are interested under section 189 of the Act which shall also be produced at the commencement of the AGM of the Company and shall remain open and accessible for the duration of the meeting to any person attending the meeting.

    b. Register of directors and key managerial personnel and their shareholding under section 170 of the Act which shall also be kept open for inspection at the AGM of the Company and shall be made accessible to any person attending the meeting.

6. Corporate members are requested to send in advance duly certified copy of the board resolution/ power of attorney authorising their representative to attend the AGM.

7. Members / Proxies are requested to bring the attendance slip/proxy form duly filled and signed for attending the AGM. Proxies are requested to bring their identity proof to the meeting for the purpose of identification.

8. Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.

9. The Notice of AGM, Proxy Form, and Attendance Slip are also available at the Company's website www.bajajfinservhealth.in

BAJAJ FINSERV HEALTH LIMITED

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www.bajajfinserv.in
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ANNEXURE TO THE NOTICE

BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THE AGM PURSUANT TO THE ACT AND SECRETARIAL STANDARD- 2 ON GENERAL MEETINGS

Anish Praful Amin (DIN 00070679)

As regards re-appointment of Anish Praful Amin referred to in item no. 2 of the Notice, the following necessary disclosures are made for the information of the members.

Information about the appointee

Brief Resume

Shri Anish Amin, joined Bajaj Finserv Limited as President – Group Assurance, Risk and M & A in February 2019. He is a fellow member of the Institute of Chartered Accountants of India. He has over 31 years of experience including as a partner of Dalal & Shah and of Pricewaterhouse India for the last 10 years. As an assurance partner he has handled a practise comprising of wide-ranging businesses including manufacturing, trading, media, finance and insurance. He was also their sector leader for the Insurance industry.

Anish has expertise in the areas of compliance with accounting standards, risk assurance, company law matters and general regulatory frameworks.

Major Directorships

Bajaj Finserv Health Limited
Maharashtra Scooters Limited
Bajaj Auto Holdings Limited

Committee positions: Nil

Shareholding in the Company as on 31 March 2021- He holds one share jointly with Bajaj Finserv Ltd.

Anish Praful Amin is not disqualified from being re-appointed as a director in terms of section 164 of the Act.

He was the first Director of the Company since its incorporation 5 July 2019 and he is not being paid any amount in the form of remuneration.

He has attended all the four Board meetings of the Company held during the year viz., 18 May 2020, 15 July 2020, 20 October 2020, and 18 January 2021 respectively.

He is not related to any of the directors or key managerial personnel of the Company.

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None of the directors or key managerial personnel or their relatives, except Anish Praful Amin, are directly or indirectly concerned or interested, financially or otherwise, except to the extent of their shareholding, if any, in the Company.

The Board commends item no. 2 of the Notice as Ordinary Resolution for approval by shareholders.

By order of the Board of Directors
For Bajaj Finserv Health Ltd.

Sonal R Tiwari
Digitally signed by Sonal R Tiwari
Date: 2021.06.26 18:37:22 +05'30'

Sonal R Tiwari
Authorised Signatory

Pune: 26 June 2021

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CORPORATE INFORMATION

Board of Directors

V Rajagopalan
Chairman

Devang Mody
Whole time Director & CEO

Anish Amin

Head-Finance

Makarand Athavale

Tax Auditors

Kirtane & Pandit
Chartered Accountants

Auditors

S R B C & CO, LLP
Chartered Accountants

Registered under the Companies Act, 2013

Registered Office

Bajaj Auto Ltd. Complex,
Mumbai-Pune Road,
Akurdi, Pune-411 035.

CIN: U85320PN2019PLC185286

Corporate Office

Phoenix Fountainhead, 4th floor,
Nagar Road, Clover Park,
Viman Nagar,
Pune - 411014.

Directors' Report

At the outset and before commencing the discussion on affairs of the Company, the Board of Directors humbly submits its commiseration to the families of all employees, shareholders and others who succumbed to this dreadful pandemic.

The Directors present their second annual report and audited financial statements for the financial year ended 31 March 2021.

Financial Results

Highlights

Rs. in Lakh

Particulars	FY 2021	FY 2020
Income	**1,048**	**97**
Expenditure excluding depreciation	**6,750**	**1,139**
Depreciation	**612**	**112**
Profit / (Loss) before Tax	**(6,314)**	**(1,155)**
Provision for Tax – Current	**-**	**-**
Deferred	**-**	**-**
Profit / (Loss) After Tax	**(6,314)**	**(1,155)**
Other comprehensive income	**-**	**-**
Actuarial gain/(losses)	**5**	**(7)**
Tax on above	**-**	**-**
Other comprehensive income for the year (net of tax)	**-**	**-**
Total comprehensive income / (Loss) for the year	**(6,309)**	**(1,162)**

Company's Operations

The Company was incorporated on 5 July 2019 and FY 2020-21 is the first full year of operations of the company.

The year began with the spread of COVID-19 pandemic and a strict lockdown-imposed across India, however, the company was agile enough to adapt to the unexpected pandemic. The company launched its telemedicine platform during Q1 FY21 to cater needs of consumers and doctors for remote consultation. The company rebranded its product offering to 'ArogyaCare' and formally launched the product in the month of September 2020, digitally using the social media platforms.

Further, the Company has expanded variants of HealthRx Prime product and a small ticket product 'Swasthya Care' with Bajaj Finance Limited (BFL) and has gained good traction in the business. The Company has significantly expanded it's footprint in the healthcare providers like hospitals, doctors, etc. The Company earned an operating income of Rs. 994 Lakhs during FY20-

21, as significant increase from Rs.60 Lakhs in FY 20. The total income for the company for FY 21 is Rs 1,048 Lakhs vs 97 Lakhs in FY 20.

Future outlook

The Company continues to focus on the path of disruptive innovation in the healthcare ecosystem, by expanding a network of service providers and use latest technology to improve health of its consumers.

The Company will continue to expand it's product and service offerings to explore new revenue earning opportunities, as well as acquiring customers.

Share Capital

The paid-up Equity Share Capital as on 31 March 2021 was Rs. 2.50 Crore consisting of 25,00,000 fully paid equity shares of face value of Rs. 10 each. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

Dividend

Considering the financial position of the Company, your Directors do not recommend any amount to be paid by way of Dividend for the year under review. In the previous year 2019-20 also, no dividend was declared.

Annual Return

A copy of the Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013, (hereinafter referred to as 'Act') in the prescribed Form MGT-7 is available on the website of the Company on https://bajajfinservhealth.in/

Particulars of Employees

The particulars under section 197(12) of the Act read with rules thereunder are provided by way of annexure to this report.

Number of meetings of the Board

During the financial year 2020-21, the Board of Directors met four times, viz., 18 May 2020, 15 July 2020, 20 October 2020 and 18 January 2021. The gap between any two consecutive meetings has been less than one hundred and twenty days.

Following table sets out the details of attendance of Directors at the Board meetings-

Name of Director	Category	No. of meetings attended
Shri V Rajagopalan	Director	4/4
Shri Anish Praful Amin	Director	4/4
Shri Devang Pravin Mody	Whole-time Director	4/4

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this Report.

Conservation of Energy and Technology Absorption

The Company, not being involved in any industrial or manufacturing activities, has no particulars to report regarding conservation of energy and technology absorption as required under Section 134 of the Act and Rules made thereunder.

Employee Stock Option Scheme

Consequent to approval received from the shareholders of Bajaj Finserv Limited, holding company of the Company at 11th Annual General Meeting (hereinafter referred to as 'AGM') held on 19 July 2018 and approval received from the shareholders of the Company at its 3rd extraordinary general meeting held on 15 July 2020, the employees of the Company are also covered under Bajaj Finserv Limited Employee Stock Option Scheme (BFS-ESOS).

The details of options granted, exercised by the employees of the Company, if any, under the aforesaid scheme, during the year under review, are given in the financial statements which form part of the Annual Report.

Foreign Exchange Earnings and Outgo

Total foreign exchange earned by the Company was Nil during the year under review, as was during the previous year.

Total foreign exchange outflow during the year under review was Rs 202.75 Lakhs, as against Rs. 1.56 Lakhs during the previous year.

Particulars of Loans, Guarantees or Investments

Information regarding Loans, Guarantees and Investments covered under the provisions of section 186 of the Act are detailed in the Financial Statements.

Amounts transferred to general reserve

No amount was required to be transferred to general reserve during the year under review.

Related Party Transactions

All Related Party Transactions (RPTs) entered into by the Company during the financial year under review, were on arms' length basis and in the ordinary course of business and did not attract provisions of section 188 of the Act. A statement showing the disclosure of transactions with related parties as required under Ind AS 24 is set out separately in this Annual Report. There are no details to be disclosed in Form AOC- 2 in that regard.

Corporate Social Responsibility

The Company is not covered under the provisions of section 135 of the Act concerning Corporate Social Responsibility (CSR) and hence, there is no requirement for any disclosure to be made on Corporate Social Responsibility initiatives of the Company.

Internal Audit

While none of the criteria for appointment of internal auditor as per section 138 of the Act, are triggered, as a good measure of Corporate Governance and prudent practice, internal auditor was appointed by the Board at its meeting held on 20 October 2020.

The Internal Audit team has commenced its audit reviews of the Company from the financial year 2020-21 onwards. Audit Plan and Internal Audit Report are placed before the Board of Directors for their perusal and approval.

Directors' Responsibility Statement

As required under clause (c) of sub-section (3) of section 134 of the Act, directors, to the best of their knowledge and belief, state that:

i. in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the directors had prepared the annual accounts on a going concern basis;

v. the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and

vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by auditors under section 143(12)

During the year under review, there were no frauds reported by the Statutory Auditors to the Board under section 143(12) of the Act.

Adequacy of internal financial controls

Internal financial controls with reference to financial statements were adequate and operating effectively.

Audit Committee and Nomination and Remuneration Committee

Section 177 and Section 178 of the Act relating to Constitution of an Audit Committee and Nomination and Remuneration Committee are not applicable to the Company, being a wholly-owned subsidiary of Bajaj Finserv Limited.

Risk Management Policy

The Company has put in place an adequate and effective risk reporting system. In the opinion of the Board, there are no residual risks, which would threaten the existence of the Company.

Fixed Deposits

The Company has not accepted any fixed deposits from the public.

Cost records

The Company is not required to maintain cost records pursuant to section 148 of the Act, read with rules thereunder.

Directors

During the year under review, Shri V. Rajagopalan, Shri Devang Pravin Mody and Shri Anish Praful Amin, first Directors of the Company, were appointed as Directors of the Company pursuant to section 152 of the Companies Act, 2013, in first Annual General Meeting held on 15 July 2020.

During the year under review, the Board, at its meeting held on 18 January 2021, appointed Shri Devang Pravin Mody (first appointed as non-executive director) as a whole-time director of the Company with effect from 1 January 2021 for a period of three years i.e. from 1 January 2021 to 31 December 2023, considering the valuable contribution made by him and his knowledge, expertise and capabilities. The said appointment was also approved by the shareholders at its fourth extraordinary general meeting held on 18 January 2021.

As per the provisions of the Act, Shri Anish Praful Amin retires from the Board by rotation this year and being eligible, offers himself for re-appointment. The information as required to be disclosed in case of re-appointment of the director is provided in the Notice of the ensuing AGM.

There was no other change in the Directors during the year under review, except as above.

Presentation of financial results

The financial statements of the Company for the year ended 31 March 2021 have been disclosed as per Schedule III to the Act and IND AS.

A Cash Flow Statement and Profit & Loss Account for the year 2020-21 are attached to the balance sheet.

Significant and Material Orders Passed by the Regulators or Courts

During the year in review, there were no significant and material orders passed by the Regulators or Courts or tribunals, which may impact the going concern status of the Company and its operations in future.

Other disclosures

Pursuant to the legislation, 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a policy on Prevention of Sexual harassment of Women at Workplace and has constituted of Internal Complaints Committee.

There was no complaint reported during the year under review under the said policy.

Details as prescribed under section 134 of the Act and Rules made thereunder, applicable to the Company, have been specifically given in this Report, wherever applicable.

Secretarial standards of ICSI

Pursuant to the approval given on 10 April 2015, by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI), the Secretarial Standards on Meetings of the Board of Directors (SS-1) AND General Meetings (SS-2) came into effect from 1 July 2015. The said standards were amended with effect from 1 October 2017. The Company is in compliance with the same.

Auditors

Pursuant to the provisions of section 139 of the Act, the members at the first AGM of the Company held on 15 July 2020 appointed S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) as Statutory Auditors of the Company from the conclusion of First AGM till the conclusion of Sixth AGM, covering one term of five consecutive years.

The Statutory Audit Report for the year 2020-21, being unmodified, does not contain any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor.

On behalf of Board of Directors,
For Bajaj Finserv Health Limited

Place: Pune
Date: 26 April 2021

V Rajagopalan
Chairman
(DIN: 02997795)

INDEPENDENT AUDITOR'S REPORT

To the Members of Bajaj Finserv Health Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of Bajaj Finserv Health Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Ind AS Financial Statements and our Auditor's Report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No: 213935
UDIN: 21213935AAAABT5501

Pune
April 26, 2021

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Bajaj Finserv Health Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties included in property, plant and equipment of the Company and accordingly, the requirements under clause 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, duty of custom, cess and other statutory dues applicable to the Company were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the period year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments or term loans hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V of the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Accounting Standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No: 213935
UDIN: 21213935AAAABT5501

Pune
April 26, 2021

Annexure 2 referred to in Para 2 (f) under the heading, "Report on other legal and regulatory requirements" to the independent auditor's report of even date on the financial statements of Bajaj Finserv Health Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to Ind AS Financial Statements of Bajaj Finserv Health Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No: 213935
UDIN: 21213935AAAABT5501

Pune
April 26, 2021

Bajaj Finserv Health Limited
Balance sheet as at March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

	Note No	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	416.33	391.67
Right of Use Asset	4	363.02	471.96
Capital work-in-progress	3	-	1.76
Other intangible assets	5	1,445.70	36.79
Intangible assets under development	5	201.29	985.55
Financial assets			
i. Loans	6(a)	40.64	36.24
Other non-current assets	8	1,063.06	443.00
Total non-current assets		**3,530.04**	**2,366.97**
Current assets			
Financial assets			
i. Investments	6(c)	100.87	200.89
ii. Trade receivables	6(d)	225.05	1.15
iii. Cash and cash equivalents	6(e)	315.96	1,064.39
iv. Other financial assets	6(b)	64.88	0.96
Other current assets	9	280.80	35.78
Total current assets		**987.56**	**1,303.17**
Total assets		**4,517.60**	**3,670.14**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10(a)	250.00	250.00
Other equity			
Instrument classified entirely as equity	10(c)	8,750.00	3,250.00
Retained Earnings	10(b)	-7,471.11	-1,161.85
Other equity		**1,278.89**	**2,088.15**
Total equity		**1,528.89**	**2,338.15**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Lease Liabilities	11(a)	295.96	390.35
Employee benefit obligations	13	-	36.87
Total non-current liabilities		**295.96**	**427.22**
Current liabilities			
Financial liabilities			
i. Trade payables	11(c)		
total outstanding dues of micro enterprises and small enterprises		17.33	4.06
total outstanding dues of creditors other than micro enterprises and small enterprises		1,272.78	92.05
ii. Lease Liabilities	11(a)	94.39	83.21
iii. Other current financial liabilities	11(b)	680.59	429.23
Provisions	12	194.52	26.39
Employee benefit obligations	13	168.44	4.34
Other current liabilities	14	264.70	265.49
Total current liabilities		**2,692.75**	**904.77**
Total liabilities		**2,988.71**	**1,331.99**
Total equity and liabilities		**4,517.60**	**3,670.14**

Summary of significant accounting policies followed by the Company 2
The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership number: 213935

Pune
Date: April 26, 2021

On behalf of the Board of Directors

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

Makarand Athavale
Finance Head

Bajaj Finserv Health Limited
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

	Note No	For year ended March 31, 2021	Period from July 05, 2019 to March 31, 2020
Revenue from contract with customers	15	994.04	60.68
Other income	16	54.14	36.17
Total income		**1,048.18**	**96.85**
Expenses			
Employee benefits expense	17	2,897.79	774.63
Depreciation and amortisation expense	18	612.54	112.07
Other expenses	19	3,804.78	330.46
Finance costs	20	47.48	34.23
Total expenses		**7,362.59**	**1,251.39**
Loss before tax		**-6,314.41**	**-1,154.54**
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		**-**	**-**
Loss for the year		**-6,314.41**	**-1,154.54**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13	5.15	-7.31
Other comprehensive income/ (loss) for the year, net of tax		**5.15**	**-7.31**
Total comprehensive income/ (loss) for the year, net of tax		**-6,309.26**	**-1,161.85**
Basic earnings per share (In INR)		-252.58	-46.18
Diluted earnings per share (In INR)		-252.58	-46.18
(Nominal value per share INR 10)			

Summary of significant accounting policies followed by the Company 2
The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership number: 213935

Pune
Date: April 26, 2021

On behalf of the Board of Directors

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

Makarand Athavale
Finance Head

Bajaj Finserv Health Limited
Statement of cash flows for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

	For year ended March 31, 2021	Period from July 05, 2019 to March 31, 2020
Cash flow from operating activities		
Loss before income tax from		
Continuing operations	-6,314.41	-1,154.54
Loss before income tax	**-6,314.41**	**-1,154.54**
Adjustments for		
Depreciation and amortisation expense	612.54	112.07
Changes in fair value of financial assets at fair value through profit or loss	-7.79	-2.18
Unwinding of discount on security deposits	-4.39	-1.49
Interest income classified as investing cash flows	-5.13	-13.79
Finance costs	47.48	34.23
Change in operating assets and liabilities		
Increase in trade payables	1,194.00	96.11
(Increase) in trade receivables	-223.90	-1.15
Increase in other financial assets and liabilities	238.53	191.13
(Increase) in other assets	-865.00	-486.93
(Decrease)/ increase in other liabilities	-0.79	265.49
Increase in employee benefit obligations	132.39	41.21
Increase in provisions	168.13	26.39
Cash generated from operations	**-5,028.34**	**-893.45**
Income taxes paid	-	-
Net cash inflow from operating activities	**-5,028.34**	**-893.45**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible asset	-1,202.24	-1,291.27
Purchase of investments	-2,150.00	-2,655.00
Proceeds from sale of investments	2,257.71	2,475.00
Interest received on fixed deposits	5.13	13.79
Net cash outflow from investing activities	**-1,089.40**	**-1,457.48**
Cash flows from financing activities		
Proceeds from issues of shares	-	250.00
Proceeds from funds from holding company	5,500.00	3,250.00
Finance cost paid	-47.48	-34.24
Repayment of lease liabilities	-83.21	-50.44
Net cash inflow (outflow) from financing activities	**5,369.31**	**3,415.32**
Net increase (decrease) in cash and cash equivalents	**-748.43**	**1,064.39**
Cash and cash equivalents at the beginning of the financial year	1,064.39	-
Cash and cash equivalents at end of the year	**315.96**	**1,064.39**

Reconciliation of cash and cash equivalents as per the cash flow statement
Cash and cash equivalents as per above comprise of the following

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	315.96	1,064.39
Balances per statement of cash flows	**315.96**	**1,064.39**

Summary of significant accounting policies followed by the Company
The accompanying notes are integral part of the financial statements
As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership number: 213935

Pune
Date: April 26, 2021

On behalf of the Board of Directors

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

Makarand Athavale
Finance Head

Bajaj Finserv Health Limited
Statement of changes in equity for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Note No	No of shares (In lakhs)	Amount
As at July 05, 2019		-	-
Changes in equity share capital	10 (a)	25.00	250.00
As at March 31, 2020		25.00	250.00
Changes in equity share capital		-	-
As at March 31, 2021		**25.00**	**250.00**

B. Other equity

Particulars	Note No	Instrument classified entirely as equity	Reserves and surplus	Share based payments reserve	Total other equity
			Retained earnings		
Balance at July 05, 2019		-	-	-	-
Loss for the year	10 (b)	-	-1,154.54	-	-1,154.54
Other comprehensive income		-	-7.31	-	-7.31
Total comprehensive income for the period		-	**-1,161.85**	-	**-1,161.85**
Equity component of loan*		3,250.00	-	-	3,250.00
Balance at March 31, 2020		**3,250.00**	**-1,161.85**	-	**2,088.15**
Loss for the year	10 (b)	-	-6,314.41	-	-6,314.41
Other comprehensive income		-	5.15	-	5.15
Total comprehensive income for the period		**3,250.00**	**-7,471.11**	-	**-4,221.11**
Equity component of loan*		5,500.00	-	-	5,500.00
Recognition of share based payments to employees	27	-	-	221.12	221.12
Payment towards share based payment		-	-	-221.12	-221.12
Balance at March 31, 2021		**8,750.00**	**-7,471.11**	**-**	**1,278.89**

* Equity component of loan received includes term loan received from Bajaj Finserv Limited; compulsorily converted into equity shares/ fully and compulsorily convertible preference share/ compulsorily convertible debentures at face value of Rs. 10 per share.

Summary of significant accounting policies followed by the Company 2
The accompanying notes are integral part of the financial statements
As per our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

per Vaibhav Kumar Gupta
Partner
Membership number: 213935

Makarand Athavale
Finance Head

Pune
Date: April 26, 2021

Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Computers	Furniture and Fixtures	Leasehold Improvements	Plant and Machinery	Office equipment	Vehicles	Total	Capital work-in- progress
Gross Block								
As at July 05, 2019	-	-	-	-	-	-	-	-
Additions	51.72	59.44	162.39	101.42	53.26	-	428.23	1.76
Disposals/ movement	-	-	-	-	-	-	-	-
As at March 31, 2020	**51.72**	**59.44**	**162.39**	**101.42**	**53.26**	**-**	**428.23**	**1.76**
Additions	71.76	0.67	23.89	9.40	0.94	18.34	125.00	-
Disposals/ movement	-	-	-	-	-	-	-	-1.76
As at March 31, 2021	**123.48**	**60.11**	**186.28**	**110.82**	**54.20**	**18.34**	**553.23**	**-**
Accumulated Depreciation								
As at July 05, 2019	-	-	-	-	-	-	-	-
Additions	5.87	2.62	16.24	6.24	5.59	-	36.56	-
Disposals/ movements	-	-	-	-	-	-	-	-
As at March 31, 2020	**5.87**	**2.62**	**16.24**	**6.24**	**5.59**	**-**	**36.56**	**-**
Additions	26.15	5.96	35.47	21.06	10.83	0.87	100.34	
Disposals/ movements	-	-	-	-	-	-	-	-
As at March 31 2021	**32.02**	**8.58**	**51.71**	**27.30**	**16.42**	**0.87**	**136.90**	**-**
Net Block								
Net book value as at March 31, 2020	**45.85**	**56.82**	**146.15**	**95.18**	**47.67**	**-**	**391.67**	**1.76**
Net book value as at March 31, 2021	**91.46**	**51.53**	**134.57**	**83.52**	**37.78**	**17.47**	**416.33**	**-**

Note 4: Right of Use Asset
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Leasehold Premises	Total
Gross Block		
At July 05, 2019	-	-
Additions	544.56	544.56
As at March 31, 2020	**544.56**	**544.56**
Additions	-	-
As at March 31, 2021	**544.56**	**544.56**
Accumulated Depreciation		
As at July 05, 2019		
Additions	72.61	72.61
As at March 31, 2020	**72.61**	**72.61**
Additions	108.93	108.93
As at March 31 2021	**181.54**	**181.54**
Net Block		
Net book value as at March 31, 2020	**471.96**	**471.96**
Net book value as at March 31, 2021	**363.02**	**363.02**

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Note 5: Intangible assets
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Computer software	Internally generated intangible asset	Intangible assets under development *	Total
Gross Block				
As at July 05, 2019	-	-	-	-
Additions	14.61	25.08	985.55	1,025.24
Disposals/ movement	-	-	-	-
As at March 31, 2020	**14.61**	**25.08**	**985.55**	**1,025.24**
Additions	-	1,812.17	201.29	2,013.47
Disposals/ movement	-	-	-985.55	-985.55
As at March 31 2021	**14.61**	**1,837.25**	**201.29**	**2,053.15**
Accumulated Amortisation				
As at July 05, 2019	-	-	-	-
Additions	1.50	1.40	-	2.90
Disposals/ movement	-	-	-	-
As at March 31, 2020	**1.50**	**1.40**	**-**	**2.90**
Additions	4.87	398.39	-	403.26
Disposals/ movement	-	-	-	-
As at March 31 2021	**6.37**	**399.79**	**-**	**406.16**
Net Block				
Net book value as at March 31, 2020	**13.11**	**23.68**	**985.55**	**1,022.34**
Net book value as at March 31, 2021	**8.24**	**1,437.46**	**201.29**	**1,646.99**

*Intangible assets under development are internally generated assets

The breakup of expenses capitalized as internally generated intangible assets under development is as under :

Particulars	FY 20-21	FY 19-20
Employee Benefits	-	303.72
Third party vendors	201.29	681.83
Total	**201.29**	**985.55**

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Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

Note 6: Financial assets

Note 6(a): Loans
(Unsecured, Considered Good)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	40.64	36.24
Total Loans	**40.64**	**36.24**

Note 6(b): Other Financial Assets
(Unsecured, Considered Good)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank deposit with original maturity of more than 3 months*	25.00	-
Other financial assets	39.88	0.96
Total Other Financial asset	**64.88**	**0.96**

*Of which Rs. 25 lakh pertains to short term deposit, placed with the bank as security towards bank guarantee

Note 6(c): Current Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Mutual Funds (At Fair Value through P&L)		
Quoted		
Nil (March 31, 2020: 1459.38) units in SBI Liquid Fund Direct Growth	-	45.37
1789.22 (March 31, 2020: 1664.09) units in L&T Liquid Fund Direct Plan-Growth	50.44	45.29
2028.69 (March 31, 2020: 4589.4) units in IDFC Cash Fund Direct Plan-Growth	50.43	110.23
Total (mutual funds)	**100.87**	**200.89**
Aggregate book value of quoted investments	100.87	200.89
Aggregate market value of quoted investments	100.87	200.89

All investments mentioned above are within India

Note 6(d): Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	122.95	1.14
Receivables from related parties (Refer note 23)	102.10	0.01
Total receivables	**225.05**	**1.15**

Trade receivables are non-interest bearing and are generally received within 365 days

Break-up for trade receivables:

Particulars	As at March 31, 2021	As at March 31, 2020
Secured, considered good	-	-
Unsecured, considered good	221.55	1.15
Trade Receivables which have increase in credit risk	17.68	-
Trade Receivables - credit impaired	-	-
	239.23	**1.15**
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk	14.18	-
Trade Receivables - credit impaired	-	-
	14.18	**-**
Total Trade receivables	**225.05**	**1.15**

Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

Note 6(e) Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts	315.96	814.39
Deposits with original maturity of less than three months	-	250.00
Total cash and cash equivalents	**315.96**	**1,064.39**

Note 7: Unrecognised Deferred tax assets

	Balance Sheet		Statement of profit and loss	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Deferred tax liabilities				
On account of timing differences in:				
Defined benefit plans provisions - OCI	-1.34	-	1.34	-
Fixed asset- impact of depreciation/ amortisation charged for financial reporting purpose	-76.85	-3.15	73.71	3.15
Fair valuation of mutual funds including FMP				
Deferred tax assets				
Recognized to the extent of Deferred tax liability	78.19	3.15	-75.05	-3.15
Net deferred tax (liability)/ asset	**-**	**-**	**-**	**-**

The Company 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. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Note 8: Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
GST credit receivable	808.19	257.75
Prepayment to gratuity fund	178.07	185.25
Capital advance	76.80	-
Total other non current assets	**1,063.06**	**443.00**

Note 9: Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	57.41	22.00
Prepayment toward share based payment (Refer note 27)	130.96	-
Supplier advances	88.21	10.59
Other current assets	4.22	3.19
Total other current assets	**280.80**	**35.78**

Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

Note 10: Equity share capital and other equity

10(a) Equity share capital

Authorised, Issued, Subscribed and paid up equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
50,00,000 equity shares of Rs 10 each	**500.00**	**500.00**
Issued, subscribed and fully paid up		
25,00,000 equity shares of Rs 10 each	250.00	250.00
	250.00	**250.00**

(i) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Number of shares (in lakhs)	Equity share capital (par value)
As at July 05, 2019	-	-
Equity share capital issued, subscribed and fully paid up during the year	25	250.00
As at March 31, 2020	25	250.00
Equity share capital issued, subscribed and fully paid up during the year	-	-
As at March 31, 2021	25	250.00

Terms and rights attached to equity shares

Equity shares have a par value of INR 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Shares of the company held by holding company

Particulars	As at March 31, 2021 (in lakhs)	As at March 31, 2020 (in lakhs)
Bajaj Finserv Limited (immediate and ultimate holding company)	25	25

(iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Bajaj Finserv Limited (immediate and ultimate holding company)	25	100%	25	100%

10(b) Reserves and surplus

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	-7,471.11	-1,161.85
Total reserves and surplus	**-7,471.11**	**-1,161.85**

Retained earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	-1,161.85	-
Net profit/ (loss) for the period	-6,314.41	-1,154.54
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	5.15	-7.31
Total Retained earnings	**-7,471.11**	**-1,161.85**

10(c) Instruments entirely in equity

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	3,250.00	-
Add: Additions during the year	5,500.00	3,250.00
Closing balance	**8,750.00**	**3,250.00**

Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
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Note 11: Financial Liabilities

Note 11(a): Lease Liabilities

Following is the breakup of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	94.39	83.21
Non Current lease liabilities	295.96	390.35
Total	**390.35**	**473.56**

Following is movement in lease liabilities during period ended March 31, 2021 and March 31, 2020

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	473.56	-
Additions	-	524.00
Finance cost accrued during the period	47.48	34.24
Payment of lease liabilities	130.69	84.68
Total	**390.35**	**473.56**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	136.41	130.69
One to five years	341.38	477.79
More than five years	-	-
Total	**477.79**	**608.48**

11(b) Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Performance bonus liability	505.00	304.73
Capital creditor	175.59	124.50
Total other current financial liabilities	**680.59**	**429.23**

11(c) Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
-total outstanding dues of micro enterprises and small enterprises	17.33	4.06
-total outstanding dues of creditors other than micro enterprises and small enterprises	1,272.78	92.05
Total trade payables	**1,290.11**	**96.11**

Trade payables are non-interest bearing and are generally on terms of 30 days from receipt of invoice.

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables	583.86	95.27
Trade payables to related parties (Refer note 23)	706.25	0.84
Total trade payables	**1,290.11**	**96.11**

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2021 and March 31, 2020 is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Principal amount remaining unpaid	17.33	4.06
(b) Interest due thereon remaining unpaid	-	-
(c) Interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	-	-
(e) Interest accrued and remaining unpaid		
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises or the purpose of disallowance as a deductible expenditure under section 23.	-	-

Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
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Note 12: Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for cancellation	106.67	13.22
Provision for diagnostic benefits	5.46	5.63
Provision for OPD Benefits	82.39	7.54
Total	**194.52**	**26.39**

(i) Information about individual provisions and significant estimates

Provision for cancellation
Provision is made for estimated cancellation claims in respect of active products sold at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on any recent trends that suggest expected cancellation claims

Provision for diagnostic benefits
Provision is made for estimated liabilities of servicing customers for diagnostic benefits at the end of the reporting period. Management estimates the provision based on any recent trends that suggest expected claims.

Provision for OPD benefits
Provision is made for estimated liabilities of servicing customers for OPD benefits at the end of the reporting period. Management estimates the provision based on any recent trends that suggest expected claims

(ii) Movements in provisions
Movements in each class of provision during the financial year are set out below:

Particulars	Cancellation provision	Provision for diagnostic benefit	Provision for OPD benefits	Total
As at July 05, 2019				
Charged/(credited) to profit or loss				
-additional provisions recognised	13.22	5.63	7.54	**26.39**
-unused amounts reversed				
Amounts used during the year	-	-	-	-
As at March 31, 2020	**13.22**	**5.63**	**7.54**	**26.39**
As at April 01, 2020	**13.22**	**5.63**	**7.54**	**26.39**
Charged/(credited) to profit or loss				
-additional provisions recognised	106.67	5.71	83.28	**195.66**
-unused amounts reversed	-	5.60	7.51	**13.11**
Amounts used during the year	13.22	0.28	0.92	**14.42**
As at March 31, 2021	**106.67**	**5.46**	**82.39**	**194.52**

Bajaj Finserv Health Limited
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Note 13: Employee benefit obligations

Particulars	**As at March 31, 2021**			**As at March 31, 2020**		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Provision for compensated absences	168.44	-	168.44	4.34	36.87	41.21
Total employee benefit obligations	**168.44**	**-**	**168.44**	**4.34**	**36.87**	**41.21**

i) Defined benefit plans:

a Gratuity -
The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

Movement in defined benefit obligations

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Defined benefit obligations at the beginning of the year	164.28	-
Current service cost	57.06	17.44
Interest on defined benefit obligations	11.11	-
Remeasurement due to:		
Actuarial loss/(gain) arising on account of experience changes	-4.32	8.15
Liabilities assumed/ (settled)*	39.48	138.69
Defined benefit obligation as at the end of the year	**267.61**	**164.28**

*on account of inter group transfer

Movement in plan assets

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Fair value of plan asset as at the beginning of the year	349.54	-
Employer contribution	40.46	210.01
Interest on plan assets	15.37	
Remeasurement due to:		
Actual return on plan assets less interest on plan assets	0.60	1.51
change in asset ceiling	0.23	-0.67
Assets acquired	39.48	138.69
Fair value of plan asset as at the end of the year	**445.68**	**349.54**

*Assets acquired include receivable amount of Rs 121.12 Lakhs towards inter group transfer of senior employees

Reconciliation of net liability/ asset

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Net defined benefit liability/(asset) as at the beginning of the year	-185.26	-
Expense charged to statement of profit and loss	52.80	17.44
Amount recognised outside Profit and loss	-5.15	7.31
Employer contribution	-40.46	-210.01
Remeasurement due to:		
Actuarial loss/(gain) arising on account of experience changes	-	-
Liabilities assumed/ (settled)	-	-
Net defined benefit liability/(asset) as at the end of the year	**-178.07**	**-185.26**

Expenses charged to the Statement of Profit and Loss

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Current service cost	57.06	17.44
Interest on net defined benefit liability/ (asset)	-4.26	-
Expenses charged to the Statement of Profit and Loss	**52.80**	**17.44**

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Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

Remeasurement gains/(losses) in other comprehensive income

Particulars	As at March 31, 2021	As at March 31, 2020
Experience adjustments	-4.32	8.15
Actual return on plan assets less interest on plan assets	-0.60	-1.51
Adjustment to recognise effect of asset ceiling	-0.23	0.67
Expenses charged to the Statement of OCI	**-5.15**	**7.31**

Amount recognised in Balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	267.61	164.28
Fair value of plan assets	445.68	349.54
Net defined benefit asset recognised in Balance Sheet	**178.07**	**185.26**

Key actuarial assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate (p.a)	6.80%	6.80%
Salary escalation rate (p.a)	10.00%	10.00%
Mortality table	IALM(2012-14) Ult	IALM(2012-14) Ult
Withdrawal rate	3.00%	3.00%

Category of plan assets

Particulars	As at March 31, 2021	As at March 31, 2020
Insurer Managed funds	445.68	349.54
Total plan assets	**445.68**	**349.54**

Sensitivity analysis for significant assumptions is as shown below

The following table summarises the impact in absolute terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the discount rate and salary escalation rate.

Particulars	As at March 31, 2021		As at March 31, 2020	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Defined benefit obligation due to sensitivity in discount rate	247.30	290.04	22.56	27.71
Defined benefit obligation due to sensitivity in salary escalation rate	289.25	247.78	27.61	22.61

Projected Plan Cash Flow

	As at March 31, 2021		As at March 31, 2020	
Particulars	**Senior Staff**	**Junior Staff**	**Senior Staff**	**Junior Staff**
Within the next 12 months (next annual reporting period)	2.19	0.37	1.68	0.11
Between 2 and 5 years	18.26	3.89	8.39	1.24
Between 5 and 10 years	29.57	6.85	52.94	3.62
Beyond 10 years	585.16	273.39	348.74	118.08
Total Expected Payments	**635.18**	**284.50**	**411.75**	**123.05**

Note 14: Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory and other liabilities	243.36	264.92
Refund liability	14.23	0.13
Advance from customers	7.11	0.44
Total Other liabilities	**264.70**	**265.49**

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Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

Note 15: Revenue From Operations

The company dervies the following types of revenue :

Particular	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Revenue from contracts with customers		
-Sale of services	994.04	60.68
Total revenue from oprations	**994.04**	**60.68**

The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations.

Reconciliation of revenue recognised with contract price

Particular	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Gross collections as per contracted price	1,816.06	106.01
Deductions for:		
Contract liabilities- Insurance premium from BAGIC and BALIC	581.69	28.91
Net cancellation*	240.33	16.42
Revenue from continuing operations	**994.04**	**60.68**

* Actual cancellations included are net of insurance premium paid to insurance company amounting to Rs 117.91 lacs.

Note 16: Other income

Particular	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Net fair value gain of financial assets measured at fair value through profit and loss	7.79	20.89
Interest income from fixed deposits	5.13	13.79
Business support service	36.83	-
Unwinding of discount on security deposits	4.39	1.49
Total other income	**54.14**	**36.17**

Note 17: Employee benefits expense

Particular	**Notes**	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Salaries, wages and bonus		2,622.93	703.90
Contribution to provident and other funds		102.08	32.67
Share based payment to employees	27	90.16	-
Gratuity	13	52.80	17.44
Staff welfare expenses		29.82	20.62
Total employee benefit expense		**2,897.79**	**774.63**

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Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
(All amounts in INR lakhs, unless otherwise stated)

Note 18: Depreciation and amortisation expense

Particular	**Notes**	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Depreciation of property, plant and equipment	3	100.34	36.56
Depreciation on right-of-use asset	4	108.93	72.61
Amortisation of intangible assets	5	403.27	2.90
Total depreciation and amortisation expense		**612.54**	**112.07**

Note 19: Other expenses

Particular	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Business support expenses (refer note 23)	1,347.29	11.37
Sales commission	851.09	6.89
Sub-contracting expenses	620.70	101.01
Fees for Technical services*	446.84	59.62
Brand and marketing	166.50	17.67
Communication charges	169.58	3.37
Customer Service claims	75.67	26.85
Legal and professional fees	28.62	52.12
Office expenses	23.63	23.94
Miscellaneous expenses	20.92	5.88
Recruitment expenses	18.00	11.21
Expected credit loss for trade receivables	14.19	-
Travel and conveyance	11.85	6.42
Rates and taxes	7.19	2.31
Repairs and maintenance	1.71	0.27
Payments to auditors (refer note 19(a) below)	1.00	1.53
Total other expenses	**3,804.78**	**330.46**

*Development costs that are not eligible for capitalisation have been expensed in the period incurred and recognised in other expenses

Note 19(a): Details of payments to auditors

Particular	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Payment to auditor		
As auditor:		
Audit fee	1.00	1.00
Out of pocket expenses	-	0.53
Total payments to auditor	**1.00**	**1.53**

Note 20: Finance costs

Particular	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Interest expense on leased liabilities	47.48	34.23
Finance costs expensed	**47.48**	**34.23**

Bajaj Finserv Health Limited
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Note 21: Fair value measurements

Financial instruments by category

Particular	As at March 31, 2021				As at March 31, 2020			
	Fair Value			Carrying Value	Fair Value			Carrying Value
	FVPL	FVOCI	Amortised Cost		FVPL	FVOCI	Amortised Cost	
Financial assets								
Investments								
- Mutual funds	100.87	-	-	100.87	200.89	-	-	200.89
Trade receivables	-	-	225.05	225.05	-	-	1.15	1.15
Cash and cash equivalents	-	-	315.96	315.96	-	-	1,064.39	1,064.39
Security deposits	40.64	-	-	40.64	36.24	-	-	36.24
Other financial assets	-	-	64.88	64.88	-	-	0.96	0.96
Total financial assets	**141.51**	**-**	**605.89**	**747.40**	**237.13**	**-**	**1,066.50**	**1,303.63**
Financial liabilities								
Trade payables	-	-	1,290.11	1,290.11	-	-	96.11	96.11
Lease liabilities	390.35	-	-	390.35	473.56	-	-	473.56
Other financial liabilities	-	-	680.59	680.59	-	-	429.23	429.23
Total financial liabilities	**390.35**	**-**	**1,970.70**	**2,361.05**	**473.56**	**-**	**525.34**	**998.90**

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
The fair values of the quoted mutual funds are based on price quotations at the reporting date. The fair value of obligations under leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Note 22: Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the deemed equity, if any) by the weighted average number

of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.
The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at March 31, 2021	As at March 31, 2020
A) Profit attributable to the equity holders of the company:	-6,314.41	-1,154.54
B) Weighted average number of equity shares for basic earnings per share	25.00	25.00
Earning per Share (Basic) (Rs)	**-252.58**	**-46.18**
C) Weighted average number of equity shares for diluted earnings per share	900.00	350.00
Earning per Share (Diluted) (Rs)	**-252.58**	**-46.18**

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Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2021
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Note 23: Disclosure of transactions with related parties as required by the Indian Accounting Standard -24:

		March 31, 2021		March 31, 2020	
Name of related party and nature of relationship	**Nature of transaction**	**Transaction Value for the year ended March 31, 2021**	**Outstanding amounts carried in the Balance Sheet**	**Transaction Value for the period from July 05, 2019 to March 31, 2020**	**Outstanding amounts carried in the Balance Sheet**
Holding company:					
Bajaj Finserv Ltd (Holding company)	Contribution from group in nature of equity	-5,500.00	-9,000.00	-3,500.00	-3,500.00
	Business Support Charges~	1,332.90	-	-	-
	Tangible assets purchased	18.34	-	30.78	-
	Intangible assets purchased	-	-	66.00	-
	Reimbursement	0.06	-	122.90	-
	Reimbursement for share based payment	221.12	-	-	-
Subsidiaries and fellow subsidiary:					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premium paid for employees during the year	18.69	-	0.85	-
(Fellow subsidiary)	Advance premium paid	-	0.86	-	0.51
	Insurance premium paid for master policy agreement	239.35	-	28.99	-
	Closing balance of float advance	-	27.43	-	8.80
Bajaj Allianz Life Insurance Co. Ltd.	Insurance premium paid for employees during the year	8.32	-	2.55	-
(Fellow subsidiary)	Advance premium paid	-	1.17	-	0.04
	Insurance premium paid for master policy agreement	224.43	-	-	-
	Closing balance of float advance	-	60.17	-	-
Bajaj Finance Ltd	Subvention cost charged during the year	24.06	-	3.61	-
(Fellow subsidiary)	Business support services received	14.39	-	11.37	-
	Business support services provided	-36.83	34.26	-	-
	Tangible assets purchased	0.77	-0.81	2.27	-
	Marketing Fees receivable during the period	-14.51	5.92	-	
	Marketing fees payable during the year	755.58	-706.25	2.28	-
	Outstanding Receivable balance at year end	-	96.18	-	0.01
	Reimbursement	221.91	-	-	-
Bajaj Holdings and Investment Ltd (Associate of holding co)	Reimbursement	-0.02	-	-	-
Key Managerial Personnel					
Devang Mody (Whole Time Director)*	Remuneration including perquisites	101.92	5.27	-	-
Anish Amin (Director)		-	-	-	-
V Rajagopalan (Director)		-	-	-	-

* w.e.f January 01, 2021
~ Includes amounts cross-charged by Holding Co. in respect of employees on deputation

Remuneration to director	**Name of Director**
Particulars of remuneration (Rs in lakhs) w.e.f appointment date i.e. January 01, 2021	**Devang Mody**
Gross salary	
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96.14
b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.78
c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
Total Remuneration	**101.92**

All above transactions are in the ordinary course of business and on arms' length basis excluding tax impact.
Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties.

In other cases, disclosure have been made only when there have been transactions with those parties.

Note 24: Capital Management

Objectives, policies and processes of capital management
The Company has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in income generating through short term/ liquid mutual funds and short term fix deposits depending on economic conditions in line with the guidelines set out by the management. Safety of capital is of prime importance to ensure availability of funds and liquidity for operations. Investment objective is to provide safety on the surplus funds.

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Equity	1,528.89	2,338.15
Adjustments:		
Tangible and other assets	-3,234.08	-1,939.75
Working capital	1,806.06	-197.51
Investments in Mutual Funds	**100.87**	**200.89**

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Note 25: Fair Value Hierarchy

1. Quantitative Disclosures
a. Quantitative disclosure of fair value measurement hierarchy for assets

	March 31, 2021		**March 31, 2020**	
	Fair value measurement using		**Fair value measurement using**	
Particulars	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**
Investments held for trading under FVTPL	100.87	-	200.89	-
Security deposits	-	40.64	-	36.24
Lease Liabilities	-	390.35	-	473.56
Total	**100.87**	**430.99**	**200.89**	**509.80**

b. Fair value of financial instruments not measured at fair value

Fair value of financial instruments not measured at fair value as at March 31, 2021 and March 31, 2020
Management considers the carrying amounts of financial assets and financial liabilities in the financial statements, except as per note above.

2. Financial risk management objectives and policies

The principal financial liabilities of company comprise trade and other payables, lease liabilities. The main purpose of these financial liabilities is to finance the operations of company and to provide guarantees to support its operations. The principal financial assets of company include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The company is exposed to market risk, credit risk. The Group's senior management oversees the management of these risks.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the long term lease payments.

The Company invests the surplus fund generated from operations in short term deposits with banks and mutual funds. Bank deposits are made for a short term period of upto 12 months carry interest rate as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of changes in foreign exchange rates for company relates primarily to the operating activities (when expense is denominated in a foreign currency). Loss booked due to fluctuation in exchange rate amounts to Rs 3.62 lakhs in FY 20-21

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including short term deposits with banks and financial institutions, and other financial instruments.

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the finance department in accordance with the guidance from holding company. Investments of surplus funds are made only with approved counterparties keeping view of credit risk associated with each counterparty.

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Note 25 continued: Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of funding to meet obligations when due and to close out market positions. Management monitors forecasts of the liquidity position of company and cash and cash equivalents on the basis of expected cash flows

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled

	31-Mar-21			31-Mar-20		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Assets						
Financial assets						
Investments	100.87	-	100.87	200.89	-	200.89
Trade receivables	225.05	-	225.05	1.15	-	1.15
Cash and cash equivalents	315.96	-	315.96	1,064.39	-	1,064.39
Security deposits	-	40.64	40.64	-	36.24	36.24
Other Financial assets	64.88	-	64.88	0.96	-	0.96
Total financial assets	**706.76**	**40.64**	**747.40**	**1,267.39**	**36.24**	**1,303.63**
Liabilities						
Financial liabilities						
Trade payables	1,290.11	-	1,290.11	96.11	-	96.11
Lease liabilities	94.39	295.96	390.35	83.21	390.35	473.56
Other financial liabilities	680.59	-	680.59	429.23	-	429.23
Total financial liabilities	**2,065.09**	**295.96**	**2,361.05**	**608.55**	**390.35**	**998.90**

As at March 31 2021, the equity share capital and instrument classified as equity of the Company is Rs. 9,000 lakhs. The Company continues to be in a startup mode due to which has incurred a loss of Rs.6,314.41 Lakh during the year, resulting in the accumulated losses aggregating Rs. 7,471.11 Lakhs as at March 31 2021, representing significant reduction in its shareholders funds. Further, the Company's current liabilities exceeded its current assets by Rs.1,705.19 lakhs. Bajaj Finserv Ltd., the holding company, is committed to provide support to the Company over next 12 months.

Note 26: Capital and other commitments

(a) Capital Commitments

Particular	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Capital commitments [estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)]	217.62	285.62

(b) Other Commitments

Particular	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Bank guarantee*	50.00	-

*Issued against bank deposit of Rs 25 lakhs

Note 27: Share-based payments (Employee option plan)

The company has adopted the employee stock options plan, 2018 (ESOP scheme) formulated by its holding company, for its employees and employees of its subsidiaries, pursuant to the resolution passed by shareholders at the annual general meeting. The employee stock options plan is designed to provide incentive to the employees of the company to deliver long term returns and is an equity settled plan. The ESOP scheme is administered by the board and holding company shares will be issued under the scheme to employees. Participation in the plan is at the Boards's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than four years from the date of grant of the options. The board of the company has approved grant with related vesting conditions. Vesting of the options would be subject to continuous employment with the company and hence the options would vest with the passage of time. Fair value of options is reimbursed to the parent company amounting to Rs. 221.12 lacs which is amortised over the vesting period.

Once vested, the options remains exercisable for a period of nine years. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share of the holding company.

Particulars	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Payment toward share based payment	221.12	-
Expense arising from share based payment transaction	90.16	-
Closing asset of share based payment transaction	130.96	-

Below is summary of options granted under the plan

Particulars	**Year ended March 31, 2021**	**Period from July 05, 2019 to March 31, 2020**
Opening balance	-	-
Granted during the year	13,850	-
Exercised during the year	-	-
Forfeited during the year	-	-
Closing balance	**13,850**	**-**

No options expired during the year.

Fair value of options granted
Tranche 1
The fair value at grant date of options granted on May 21, 2020 was Rs 1,596.56. The fair value at grant date is determined using the black scholes model, which takes into account the exercise price, the term of option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option

The model inputs for options granted during the year ended March 31, 2021

	Tranche 1
a) Options granted for no consideration and vesting period is	1-4 years
b) Exercise price	Rs 4,702.05 per option
c) Grant date	May 21, 2020
d) Exercise date	May 20, 2024
e) Share price at grant date	Rs 4,702.05
f) Expected price volatility of the company's shares:	35.56%
g) Expected dividend yield	0.05%
h) risk free interest rate	6.35%

Expected price volatility is based on historic volatility (based on remaining life of options), adjusted for expected changes to future volatility due to publicly available information

Note 28: Social security code
The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

The accompanying notes are integral part of the financial statements
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership number: 213935

Pune
Date: April 26, 2021

On behalf of the Board of Directors

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

Makarand Athavale
Finance Head

Bajaj Finserv Health Limited
Notes to the financial statements for the year ended March 31, 2021

1. The Company overview

Bajaj Finserv Health Limited (the "Company"), is a public company limited by shares, domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on July 05, 2019. The Company is a wholly owned subsidiary of 'Bajaj Finserv Limited' (Holding Company). The Company is operating in the Health Ecosystem and creates integrated healthcare solutions to improve and manage healthcare outcomes with technological intervention. The Company is engaged in business of marketing, promoting and selling Healthcare plans/products including preventive healthcare, management of illness, loyalty cards, telemedicine, through online and/or through network of providers / partners. The CIN number of the Company is U85320PN2019PLC185286.

The Registered Office of the company is at Bajaj Auto Limited, Mumbai-Pune Road, Akurdi, Pune, 411035, Maharashtra, and its Corporate Office is at 4th Floor, Phoenix Fountainhead, Off Nagar Road, Viman Nagar, Pune-411014, Maharashtra.

The financial statements were approved for issue in accordance with a resolution of the Directors on 26th April 2021.

2. Basis of preparation of financial statements

(i) Basis of preparation

The Company was incorporated on July 05, 2019, accordingly the comparative financial statements reflect transactions for the period July 05, 2019 to March 31, 2020. Hence, these Financial statements for FY 2020-21 are not comparable with the comparative financial statements.

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 a as amended from time to time and other relevant provisions of the Act.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

Accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statement of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

The financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency and all values are rounded to the nearest lacs, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital funding available from the Holding company. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

(ii) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates are recognised in the period in which the estimates are made or revised. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the significant effect on the amounts recognised in the financial statements are included in the notes.

Detailed information about each of these estimates is included in the relevant notes together with information about basis of calculation for each affected line item in the financial statements:

(1) Revenue recognition
(2) Impairment testing
(3) Deferred taxes
(4) Defined benefit plans and compensated absences
(5) Useful lives of property, plant and equipment
(6) Useful lives of intangible assets
(7) Provision for estimate toward expected OPD and diagnostic claims
(8) Expected Credit Loss

3. Significant accounting policies

i. **Revenue Recognition:**

The Company recognizes revenues from contracts with customers, as per Ind AS 115 following five step approach:

(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract, and
(5) recognise revenues when a performance obligation is satisfied.

At inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the stand-alone selling price, the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

The Company derives revenue mainly from the following sources:

Bundled Product

Bundled Product under the nomenclature of Aarogya Care or its variants (erstwhile known as Managed Care) is a comprehensive offering in the Health ecosystem and comprises benefits such as Insurance, OPD, Laboratory benefit, Loyalty card, access to HealthRx mobile app.

Co-Branded Card / Loyalty card

Cobranded card, Loyalty card or its variants, offer a small ticket size health management solution, en-compassing health benefits such as discounts at Outpatient department (OPD), Inpatient department (IPD), Pharmacy, Laboratory test etc.

Revenue on product sales are recognised when the customer obtains control of the specified asset.

Revenues are shown net of actual allowances/ returns, goods and services tax. The insurance component of the revenue is sold under the group arrangement with the Insurance company and does not form part of the revenues of the Company, being a passthrough arrangement of the insurance premiums.

Company uses point in time approach to recognise the revenue, since there are no unsatisfied performance obligations pending after sale of product. The control of product is immediately transferred to customer at the time of sale of product. Company recognises partner pay-outs provision on estimate basis. A refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled and such amount is deducted from revenue in accordance with the Ind AS 115. Also refund liability for actual cancellation of product and provision created for expected cancellation is recognised and deducted from revenue. The cancellation provision is based on the Company's previous experience and industry practices

The Company assesses the timing of the transfer of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

Contract asset and liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

ii. **Foreign currency transactions and translation**

Functional and presentational currency

The financial statements are presented in INR which is also functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

iii. Property, plant and equipment and depreciation/ amortisation

Property, plant and equipment

a) Recognition and measurement

i) Property, plant and equipment are carried at cost of acquisition as the case may be, less accumulated depreciation. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

iii) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

b) Depreciation

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold, as the case may be.

Estimates used while calculating depreciation are asset's expected useful life and the expected residual value at the end of its life. The lives are based on the management estimate of the useful life of assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually. The estimated useful lives are, as follows:

- Leasehold Improvements – Period of lease
- Computers – 3 years
- Others – furniture, networking installations, vehicle and office equipment – 3 to 10 years.

Assets acquired under leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term.

iv. Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The useful life is estimated based on number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life of amortisable intangibles is reviewed and where appropriate are adjusted, annually.

For internally developed intangibles, like software, platforms, apps, Expenditure pertaining to research if any, is charged to the Statement of profit and loss. Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of profit and loss.

The intangible assets are amortised using the straight line method over a period of three years, which is the management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly

v. **Financial instruments**

a) Non-derivative financial instruments:

Non-derivative financial instruments consist of:

• financial assets, which include cash and cash equivalents, trade receivables, employee and other advances, and non-current assets; Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.

• financial liabilities, which include trade payables, eligible current and non-current liabilities.

• Non- derivative financial instruments are recognised initially at fair value.

After initial recognition, non-derivative financial instruments are measured as described below:

a. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, and are considered part of the Company's cash management system.

b. Investments

Financial instruments measured at fair value through profit or loss (FVTPL):

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in Statement of profit and loss. The gain or loss on disposal is recognised in Statement of profit and loss. Interest income is recognised in Statement of profit and loss for FVTPL instruments.

c. Other financial assets:

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. These comprise trade receivables and other assets.

d. Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

vi. Equity

a) Share capital

The authorised share capital of the Company as at March 31, 2021 is Rs 500 Lakhs divided into 50 Lakhs equity shares of Rs 10 each, every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

b) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

vii. Impairment

a) Financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortised cost for e.g. deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss. The Company follows simplified approach for recognition of impairment loss allowance on trade receivables

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

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

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

Financial assets measured at amortised cost and revenue receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non - financial assets

The Company assesses long-lived assets such as property, plant and equipment and acquired intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets.

viii. Employee benefits

a) Defined Benefit Plans

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as defined benefit plans. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method.

Re-measurement comprising actuarial gains or losses and the return on plan assets (excluding interest) are immediately recognised in other comprehensive income, net of taxes and permanently excluded from profit or loss. Instead net interest recognised in profit or 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, net of taxes.

The Company has the following employee benefit plans:

a) Gratuity

Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully covers the same under Cash Accumulation Policy and Debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficit in plan assets managed by LIC and BALIC as compared to the liability on the basis of an independent actuarial valuation is recognised as a liability.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

b) Defined contribution plans

The Company contributes to two defined contribution plans for its employees:

- Contribution to provident fund is made to Government Provident Fund Authority
- Contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority

The Company recognises contribution payable to these fund/ schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay because of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

d) Employee stock option scheme

The fair value of options granted under the Bajaj Finserv Limited -Employee Stock Option Scheme (BFS-ESOS) is recognised as an employee benefits expenses with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance conditions (e.g., continuance of an employee of the entity over a specified time period), and including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

ix. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company accrues the estimated cost of provisions (OPD, diagnostic, telemedicine or similar healthcare) at the time when the revenue is recognised. The accruals are based on the Company's experience, benefits offered in the product and industry practices. Provision amount for OPD, diagnostic, telemedicine or similar healthcare is derived based on OPD, diagnostic, telemedicine or similar healthcare components considered in product pricing. Provisioning amounts are tracked periodically and actual utilisations, if any, are adjusted against provision amount. If the customer does not utilize the benefit, the unused provision is reversed once the product period expires or at the end of contract term. The Company also recognise provision for expected cancellation which is deducted from revenue and is based on the Company's previous experience and industry practices

x. Finance cost

Finance cost comprise notional interest cost on lease liabilities as per IND AS 116, gain or losses arising on re-measurement of financial assets at FVTPL.

xi. **Other income**

The Company recognises income on accrual basis as it becomes due.

xii. **Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss items directly recognised in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current periods are measured at the amount expected to be recovered from the taxation authorities based on the taxable income/ (loss) for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted as at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax, if any, is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets are measured at the tax rates that are expected to apply in the period when the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities

xiii. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period.

xiv. Cash flow statement

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated. The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

xv. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker. The Company operates only in one segment in Health ecosystem and has operations only in India, with same risk, rewards and returns, hence, the Segment reporting is not presented.

xvi. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, 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 applies a single recognition and measurement approach for all leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in para 6. Impairment of non-financial assets.

b) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

As a practical expedient in para 15 of IND AS 116, Company has not separated non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component

xvii. Fair value measurement

The Company measures financial instruments, such as, investment in mutual funds 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 in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the 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. 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 minimizing 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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.