CORPORATE INFORMATION

Board of Directors

V Rajagopalan
Chairperson

Devang Mody
Whole-time Director & CEO

Anish Amin

Head Finance

Maneesh Sharma

Auditors

KKC & Associates LLP
(earlier known as Khimji Kunverji & Co LLP)

Registered Office

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

Corporate Office

3rd Floor, A, Mantri Business Samrat
Ashok Road, Viman Nagar,
Pune - 411014

Corporate Identity Number:

U85320PN2019PLC185286

DIRECTORS' REPORT

Dear Shareholders,

Your directors take great pleasure in presenting the Fourth Annual Report along with the audited financial statements for FY2023.

Company Overview and Operations

Your Company (the 'Company' or 'Bajaj Finserv Health') is health tech venture that aims to transform the healthcare sector in India. It offers a range of healthcare solutions and services. The mission is to provide platform for customers to manage their health 360°, which includes wellness services. In India, insurers only provide IPD coverage which is not value creating for customers as well as insurers.

The Company has started servicing retail as well as corporate employees and has 0.9 million paid users, which includes employees of 353 large corporates. It has built a network of over 120,000 doctors, more than 6,000 diagnostic points and over 1,800 hospitals where Outpatient (OP) transactions can be done on cashless basis. It has already done over 0.34 million health claims in FY2023. It has also developed a consumer facing app which allows customers to manage their plans, access network of healthcare providers, book appointments and store their health records for future reference. Bajaj Finserv Health is also a Wave 1 partner of the Digital Health Mission of the NHA.

Financial Results

The financial statements of the company for the year ended 31 March 2023 have been disclosed as per Schedule III to the Act and IND AS.

A Cash Flow Statement and statement of Profit & Loss Account for the FY2023 are attached to the balance sheet.

Presentation of Financial results

The highlights of the financial results of the Company for the year ended 31 March 2023 are given below:

(Rs. in lakh)

Particulars	**For the year ended on 31 March 2023**	**For the year ended on 31 March 2022**
Total income from operations	18,495.23	8,820.86
Expenditure excluding depreciation	35,748.41	20,509.54
Depreciation	1,533.38	1,256.27
Profit/(Loss) before tax	**(18,786.56)**	**(12,944.95)**
Provision for Tax- Current	-	-
Deferred	-	-
Profit/(Loss) after tax	**(18,786.56)**	**(12,944.95)**

Other comprehensive income for the year (net of tax)	200.75	(71.92)
Total comprehensive income/(Loss) for the year	**(18,585.81)**	**(13,016.87)**
Earnings per share (Nominal value per share Rs. 10)	(751.46)	(517.80)

During the period ended 31 March 2023, the Company incurred a loss of Rs. 18,585.81 lakh.

Dividend and transfer to reserves

Considering the operating and accumulated losses, Board did not recommended dividend, nor any amount is proposed for transfer to reserves.

Future outlook

Bajaj Finserv Health is health tech venture that aims to transform the healthcare sector in India. It offers a range of healthcare solutions and services. The mission is to solve for access and financing of healthcare to Indian consumers and making healthcare prepaid, preventive and personalized by covering hospitalization, diagnostics and doctor consultation spends. The company is now also developing Wellness benefits and has already launched Mental Wellbeing, Diet & Nutrition programs and Step tracker with challenges.

Subsidiaries, Associates and Joint Ventures

The Company does not have any subsidiary, associate or a joint venture company. Accordingly, the requirement of attaching form AOC-1 is not applicable to the Company.

The Company is a wholly owned subsidiary of Bajaj Finserv Limited (BFS).

Material Changes and Commitments

There were 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.

Risk Management

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.

Directors and Key Managerial Personnel (KMP)

The Board comprises of persons with diverse experience and skills, such that it best serves the governance and strategic needs of the Company and its stakeholders. The present composition broadly meets this objective. The directors are persons of eminence in areas such as business, strategy, finance, law, risk, taxation, etc., and bring with them experience / skills which add value to the performance of the Board and Company, as a whole. The Directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender, or nationality.

Retirement by Rotation:

Devang Mody, Whole time Director & CEO, retires by rotation at the ensuing annual general meeting (AGM), being eligible, offers himself for re-appointment. Necessary information to be disclosed in case of re-appointment, as required under the Act, is given in the Notice of the ensuing AGM.

During FY2023, there was no change in the other Directors.

Annual Return

A copy of the Annual Return as provided under section 92(3) read with section 134(3)(a) of the Act in the prescribed Form MGT-7 is available on the Company's website and can be accessed at https://www.bajajfinservhealth.in/financial-report

Number of Meetings of Board

During the FY2023, the Board of Directors met 4 (four) times, viz., 25 April 2022, 25 July 2022, 11 October 2022 and 25 January 2023. The gap between any two consecutive meetings was less than one hundred and twenty days.

The details pertaining to the attendance of each Directors at the meetings of the Board held during the FY2023 are mentioned below:

Sr. No.	Name of Director	Category	No. of Board Meetings held during FY2023	
			Entitled to attend	**Attended**
1.	V Rajagopalan	Chairman, Non- executive director	4	4
2.	Anish Praful Amin	Non- executive director	4	4
3.	Devang Pravin Mody	Whole-time Director & CEO	4	4

Directors' Responsibility Statement

In accordance with the provisions of section 134(3)(c) of the Companies Act, directors, to the best of their knowledge and belief, state that:

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

(ii) they have selected such accounting policies and applied them consistently and made judgements 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 loss of the Company for FY2023;

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

(iv) they have prepared the annual accounts on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that, such systems were adequate and were operating effectively.

Particulars of Loans, Guarantees or Investment

During FY2023, the Company has not granted any loans, or made any investments in or provided any guarantees or securities under section 186 of the Act.

Deposits

During FY2023, your Company has not accepted any deposits within the meaning of sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014 as amended.

Share Capital

During the FY2023, there was no change in the equity share capital of the Company.

As on 31 March 2023, the authorised share capital of the Company was Rs. 50,000,000 divided into 5,000,000 equity shares of face value of Rs. 10/- while the paid-up equity share capital stood at Rs. 25,000,000 crore comprising of 25,00,000 fully paid equity shares of face value of Rs. 10 fully paid-up.

During the year under review, the Company has not issued any equity shares, convertible securities, shares with differential voting rights, sweat equity shares nor has it granted any stock options. As on 31 March 2023, the Company has an outstanding convertible loan amounting to Rs. 457.5 crore.

Employee Stock Option Scheme

Consequent to approval received from the shareholders of Bajaj Finserv Limited, holding company of the Company at 11th AGM held on 19 July 2018 and approval received from the shareholders of the Company at its 4th AGM held on 16 July 2018, the Company approved the Bajaj Finserv Limited Employee Stock Option Scheme (BFS-ESOS). The employees of the Company are also covered under this Scheme. The Company is also the corporate trustee for the Bajaj Finserv ESOP Trust, formed for managing the stock options granted under BFS ESOS.

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

Related Party Transactions

All contracts/arrangement/transactions entered by the Company with related parties during the period under review were in compliance with the applicable provisions of the Act including on arm's length basis and in the ordinary course of business of the Company under the Act. None of the transactions required members' prior approval under the Act.

Details of transactions with related parties during FY2023 are provided in the notes to the financial statements. There were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC–2 does not form a part of this Report.

Significant and Material orders passed by the Regulators or Courts

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

Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information pertaining to the conservation of energy and technology absorption in terms of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is stated as below:

(a) Conservation of Energy and Technology Absorption

Though the operations of the Company are not energy-intensive in nature, it implements various energy conservation measures across all its functions.

Considering the nature of operations, no particulars regarding technology absorption are required to be given in this Report.

(b) Foreign Exchange Earnings and Outgo

During FY2023, there were no foreign exchange earnings and outgo during the financial year, which is the same as last financial year.

Loss booked due to fluctuation in exchange rate amounted to Rs 0.52 lakh in FY2023 as against Rs. 3.92 lakh in FY2022.

Audit Committee and Nomination and Remuneration Committee

The provisions of 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

Corporate Social Responsibility

The provisions of section 135 of the Act relating to Corporate Social Responsibility are not applicable to the Company.

Secretarial standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS–1) and General Meetings (SS–2) read with the MCA circulars.

Internal Audit

Internal audit is an integral part of corporate governance. The objective of internal audit is to identify, assess and mitigate risks as well as to evaluate and contribute to the systems of internal controls and governance processes followed by the Company. Key elements of internal audit are assurance on controls, governance and compliance, business risk assessment and its mitigation and process optimization.

The Board periodically reviews the internal audit reports and the adequacy and effectiveness of internal controls. Significant audit observations, corrective and preventive actions thereon are presented to the Board.

Statutory Auditors

KKC & Associates LLP (earlier known as Khimji Kunverji & Co LLP) (FRN 105146W/W100621) continues to be the Statutory Auditors of the Company. They hold office for a period of 4 years upto the 7th AGM scheduled in the year 2025.

The statutory audit report for the FY2023, is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer by the Statutory Auditor.

Other Statutory Disclosures

- There was no change in the nature of the business of the Company.
- Disclosure pertaining to maintenance of cost records as required under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to your Company.
- There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year against the Company.
- There was no one-time settlement entered into with any Bank or financial institutions in respect of any loan taken by the Company.
- During the year under review, there were no frauds reported by the Auditors to the Board under section 143(12) of the Act.
- The Company being an unlisted company, details as required to be reported under section 197(12) of the Act, is not applicable to the Company.
- Disclosure as required under section 197(14) of the Act for the Managing Director or Whole-time Director, for any remuneration or commission from any holding company or subsidiary company is not applicable to the Company.
- The provisions of section 177(9) & (10) of the Act, are not applicable to the Company. According, it was not required to establish any vigil mechanism during the year under review.
- The provisions of section 178 of the Act regarding annual performance evaluation are not applicable to the Company.
- 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 at Workplace and has constituted an Internal Complaints Committee. No case was reported during the year under review.

Acknowledgement

The Board places its gratitude and appreciation for the support and co–operation from its members and other regulators.

The Board also places on record its sincere appreciation for the commitment and hard work put in by the management and the employees in these trying times.

On behalf of Board of Directors of
Bajaj Finserv Health Ltd.

Sd/-

V Rajagopalan
Chairman
(DIN: 02997795)

Place: Pune
Date: 25 April 2023

Independent Auditor's Report

To
The Members of
Bajaj Finserv Health Limited

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of Bajaj Finserv Health Limited ('the Company'), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('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 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 ('ICAI') 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 opinion on the Financial Statements.

Other Information

4. The Company's board of directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and our auditors' report thereon.

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

6. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the 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 Financial Statements

7. 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 Financial Statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in

kkc & associates llp SS Chartered Accountants 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Financial Statements, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 Financial Statements.

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

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

    11.2. 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) 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.

    11.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

    11.4. Conclude on the appropriateness of the 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.

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

12. 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.

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13. 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

14. As required by the Companies (Auditor's Report) Order, 2020 ('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 A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

    15.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

    15.2. 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.

    15.3. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.

    15.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    15.5. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    15.6. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

    15.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

16. 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, in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

    16.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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16.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

16.6. Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 16.4 and 16.5 contain any material misstatement.

16.7. In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year. Hence, compliance with section 123 of the Act by the Company does not arise.

16.8. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Soorej Kombaht
Partner
ICAI Membership No: 164366
UDIN: 23164366BGYKTO7066

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Place: Pune
Date: 25 April 2023

Annexure "A" to the Independent Auditor's Report on the Financial Statements of Bajaj Finserv Health Limited for the year ended 31 March 2023

(Referred to in paragraph 14 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').

The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company, it does not hold any immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee). Accordingly, the provision of clause 3(i)(c) of the Order is not applicable to the company.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, paragraph 3(iii)(a), 3(iii)(c), 3(iii)(d) and 3(iii)(e) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, the investments made are not prejudicial to the Company's interest. The Company has not provided guarantees, securities and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest. Accordingly, provision of clause 3(ii)(b) is not applicable to that extent.

(c) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in nature of loans to Promoters / Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment Accordingly, paragraph 3(iii)(f) is not applicable to the Company.

iii. (a) In our opinion and according to the information and explanations given to us, the Company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year including other parties covered in the register maintained under Section 189 of the Act. Accordingly, provisions of the clause 3(iii)(a) to (f) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in nature of loans to Promoters / Related Parties (as defined in section2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations given to us the Company has not granted any loans covered, made any investments or provided any guarantees and securities under Section 185 and Section 186 of the Act. Accordingly, the provisions of the clause 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, the provisions of the clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities in all cases during the year

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, which have not been deposited to/with the appropriate authority on account of any dispute.

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or other borrowings from any financial institutions, banks, government and dues to debenture holders or in payment of interest thereon to any lender during the year. Hence, reporting under clause (ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that the Company has not raised any loans on short term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

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x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.

xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year nor have we been informed of any such case by the Management Accordingly, provisions of the clause 3(xi)(a) of the Order is not applicable to the company.

(b) No report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, provisions of the clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, provisions of the clause 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of the clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a CIC as defined in the regulations made by Reserve Bank of India.

(d) According to the information and explanation given to us, in the group (in accordance with Core Investment Companies (CIC's) (Reserve Bank) Directions, 2016) there are 17 companies forming part of the promoter/promoter group of the Company which are CICs. Further, as informed these CIC's are unregistered CICs as per Para 9.1 of Notification No. RBI/2020-21/24 dated 13th August 2020 of the Reserve Bank of India.

xvii. The Company has incurred cash losses in the financial year. The amount of cash loss is Rs.17268.15 lakhs (Previous year Rs. 11714.78 lakhs).

xviii. There has been no resignation of the statutory auditors during the year and accordingly provisions of the clause 3(xviii) of the Order is not applicable.

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SS
Chartered Accountants

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our examination of the records of the Company, the provision of section 135 of the Act relating to CSR is not applicable to the Company. Accordingly, the provision of clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

xxi. The Company does not have any subsidiary, associate or joint venture company and is not required to prepare consolidated financial statements. Accordingly, provisions of the clause 3(xxi) of the Order is not applicable to the company.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

kkc & associates llp Chartered Accountants

Soorej Kombaht
Partner
ICAI Membership No: 164366
UDIN: 23164366BGYKTO7066

Place: Pune
Date: 25 April 2023

Annexure 'B' to the Independent Auditors' report on the Financial Statements of Bajaj Finserv Health Limited for the year ended 31 March 2023

(Referred to in paragraph 15.6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

Opinion

1. We have audited the internal financial controls with reference to the Financial Statements of **Bajaj Finserv Health Limited** ('the Company') as at 31 March 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal controls 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 ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SAs'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the 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.

6. 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 the Financial Statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

7. A company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial

Chartered Accountants SS

Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Financial Statements include 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 the Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the 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 the Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Soorej Kombaht
Partner
ICAI Membership No: 164366
UDIN: 23164366BGYKTO7066

kkc & associates llp
Chartered Accountants

Place: Pune
Date: 25 April 2023

Bajaj Finserv Health Limited
Balance sheet as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	679.46	830.56
Right of Use Asset	4	1,769.53	1,395.49
Other intangible assets	5	4,186.64	2,054.03
Financial assets			
i. Other financial assets	6(a)	214.14	306.88
Other non-current assets	8	2,459.79	1,785.09
Current tax assets		624.23	83.60
Total non-current assets		**9,933.79**	**6,455.65**
Current assets			
Financial assets			
i. Investments	6(c)	275.74	260.78
ii. Trade receivables	6(d)	2,060.83	889.43
iii. Cash and cash equivalents	6(e)	2,309.25	1,599.66
iv. Other financial assets	6(b)	37.30	25.00
Other current assets	9	2,443.89	885.21
Total current assets		**7,127.01**	**3,660.08**
Total assets		**17,060.80**	**10,115.73**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10(a)	250.00	250.00
Instruments entirely equity in nature	10(c)	45,750.00	23,750.00
Other equity	10(b)	(39,073.79)	(20,487.98)
Total equity		**6,926.21**	**3,512.02**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Lease Liabilities	11(a)	1,406.41	974.46
Total non-current liabilities		**1,406.41**	**974.46**
Current liabilities			
Financial liabilities			
i. Trade payables	11(c)		
total outstanding dues of micro enterprises and small enterprises		2.06	3.23
total outstanding dues of creditors other than micro enterprises and small enterprises		3,542.47	2,351.34
ii. Lease Liabilities	11(a)	379.04	399.47
iii. Other current financial liabilities	11(b)	2,308.42	1,295.71
Provisions	12 & 13	1,827.89	1,081.90
Other current liabilities	14	668.30	497.60
Total current liabilities		**8,728.18**	**5,629.25**
Total liabilities		**10,134.59**	**6,603.71**
Total equity and liabilities		**17,060.80**	**10,115.73**

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 KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Soorej Kombaht
Partner
ICAI Membership Number: 164366
Pune:
Date: 25 April 2023

On behalf of the Board of Directors

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

Maneesh Sharma
Finance Head

Bajaj Finserv Health Limited

Statement of Profit and Loss for the period ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note No	For year ended March 31, 2023	For year ended March 31, 2022
Revenue from operations	15	17,996.74	8,667.52
Other income	16	498.49	153.34
Total income		**18,495.23**	**8,820.86**
Expenses			
Finance costs	20	191.87	66.45
Employee benefits expense	17	10,779.50	6,418.45
Depreciation and amortisation expense	18	1,533.38	1,256.27
Other expenses	19	24,777.04	14,024.64
Total expenses		**37,281.79**	**21,765.81**
Loss before tax		**(18,786.56)**	**(12,944.95)**
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		-	-
Loss for the year		**(18,786.56)**	**(12,944.95)**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13	200.75	(71.92)
Other comprehensive income/ (loss) for the year, net of tax		**200.75**	**(71.92)**
Total comprehensive income/ (loss) for the year, net of tax		**(18,585.81)**	**(13,016.87)**
Basic earnings per share (In INR)		(751.46)	(517.80)
Diluted earnings per share (In INR)		(751.46)	(517.80)
(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 KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Soorej Kombaht
Partner
ICAI Membership Number: 164366
Pune:
*This document is confidential
Date: 25 April 2023

KKC & associates llp Chartered Accountants SS

On behalf of the Board of Directors

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

Maneesh Sharma
Finance Head

Bajaj Finserv Health RM

Bajaj Finserv Health Limited
Statement of cash flows for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For period ended March 31, 2023	For year ended March 31, 2022
Cash flow from operating activities		
Loss before income tax from Continuing operations	(18,786.56)	(12,944.95)
Loss before income tax	**(18,786.56)**	**(12,944.95)**
Adjustments for		
Depreciation and amortisation expense	1,533.38	1,256.27
Changes in fair value of financial assets at fair value through profit or loss	(14.97)	(9.94)
Unwinding of discount on security deposits	(67.85)	(16.16)
Interest income classified as investing cash flows	(17.59)	(4.86)
Finance costs	191.87	66.45
Change in operating assets and liabilities		
Increase in trade payables	1,189.97	1,253.56
(Increase) in trade receivables	(1,171.40)	(664.18)
Increase in other financial assets and liabilities	1,138.31	201.22
(Increase) in other assets	(2,233.38)	(1,329.08)
Increase in other liabilities	170.69	232.90
Increase in provisions	946.74	647.02
Cash generated from operations	**(17,120.79)**	**(11,311.75)**
Income taxes paid	(540.62)	(80.97)
Net cash inflow from operating activities	**(17,661.41)**	**(11,392.72)**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible asset	(3,408.90)	(1,979.93)
Proceeds from property, plant and equipment and intangible asset	303.58	0.00
Purchase of investments	0.00	(550.00)
Sale of investments	0.00	400.00
Interest received on fixed deposits	5.28	4.86
Net cash outflow from investing activities	**(3,100.04)**	**(2,125.07)**
Cash flows from financing activities		
Proceeds from funds from holding company	22,000.00	15,000.00
Finance cost paid	(191.87)	(66.45)
Repayment of lease liabilities	(337.09)	(132.06)
Net cash inflow (outflow) from financing activities	**21,471.04**	**14,801.49**
Net increase (decrease) in cash and cash equivalents	**709.59**	**1,283.70**
Cash and cash equivalents at the beginning of the financial year	1,599.66	315.96
Cash and cash equivalents at end of the year	**2,309.25**	**1,599.66**
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, 2023	**As at March 31, 2022**
Cash and cash equivalents	2,309.25	1,599.66
Balances per statement of cash flows	**2,309.25**	**1,599.66**

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 KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Soorej Kombaht
Partner
ICAI Membership Number: 164366
Pune:
Date: 25 April 2023

KKC & Associates LLP Chartered Accountants

On behalf of the Board of Directors

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

Maneesh Sharma
Finance Head

Bajaj Finserv Health Limited

Bajaj Finserv Health Limited
Statement of changes in equity for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Note No	No of shares (In lakhs)	Amount
As at March 31, 2021		25.00	250.00
Changes in equity share capital	10 (a)	-	-
As at March 31, 2022		25.00	250.00
Changes in equity share capital		-	-
As at March 31, 2023		**25.00**	**250.00**

B. Instruments entirely equity in nature

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
At the beginning of the year		23,750.00	8,750.00
Addition during the year	10(c)	22,000.00	15,000.00
Closing Balance		**45,750.00**	**23,750.00**

*Equity component of loan received represents loan received from Bajaj Finserv Limited compulsorily convertible into equity shares at face value of Rs. 10 per share

C. Other equity

Particulars	Note No	Reserves and surplus	Total other equity
		Retained earnings	
Balance at March 31, 2021		(7,471.11)	(7,471.11)
Loss for the year	10 (b)	(12,944.95)	(12,944.95)
Other comprehensive income		(71.92)	(71.92)
Total comprehensive income for the period		**(20,487.98)**	**(20,487.98)**
Balance at March 31, 2022		**(20,487.98)**	**(20,487.98)**
Loss for the year	10 (b)	(18,786.56)	(18,786.56)
Other comprehensive income		200.75	200.75
Total comprehensive income for the period		**(39,073.79)**	**(39,073.79)**
Balance at March 31, 2023		**(39,073.79)**	**(39,073.79)**

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 KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Soorej Kombaht
Partner
ICAI Membership Number: 164366
Pune:
Date: 25 April 2023

KKC & associates llp Chartered Accountants

On behalf of the Board of Directors

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

Maneesh Sharma
Finance Head

Bajaj Finserv Health Limited

Bajaj Finserv Health Limited
Notes to the financial statements for the year ended March 31, 2022

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 25th April, 2022.

2. Basis of preparation of financial statements

(i) Basis of preparation

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.

kkc & associates llp Chartered Accountants

Bajaj Finserv Health Limited

(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 wellness service 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 AarogyaCare, Swasthyacare or its variants is a comprehensive offering in the Health ecosystem and comprises benefits such as Insurance offered by insurance companies, OPD, Laboratory benefit, Loyalty card, access to HealthRx mobile app and website.

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

Revenues are shown net of GST and cancellation of policies sold if any.

Insurance component comprised in the product price is not considered in the revenue as it is sold under the passthrough arrangement between the Company and the Group's insurance Company.

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 wellness pay-outs provision on estimate basis.

Health Prime rider (HPR)

Health prime rider is a comprehensive offering in the Health ecosystem which is issued by one of the group insurance company and comprises benefits such as OPD, Laboratory benefit, Loyalty card, access to HealthRx mobile app and website. The Company manages these services on behalf of the insurance company. For above, agreement is directly entered with group insurance company

Pursuant to the terms of arrangement with the insurance company the Company's performance obligation is to be obliged over the policy period, the revenue & contract liability emanating from the said arrangement are recognized over the period of policy contract..

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), Pharmacy, Laboratory test etc.

A refund liability is measured for all the products and services 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 Ind AS 115.

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 provision of service is up-to 12 months. If the difference in timing arises for reasons other than the provision of finance to either the customer or the Company, 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 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 Property,

Plant and Equipment

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, if any, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

a) Recognition and measurement

Property, plant and equipment, capital work in progress except land are carried at cost of acquisition or construction as the case may be, less accumulated depreciation and amortisation. Land is carried at cost of acquisition. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by the Management. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Changes in the expected useful life are accounted for by changing the period or methodology, as appropriate, and treated as changes in accounting estimates. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

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 assets added/disposed during the period is provided on pro rata basis with reference to the month in which such asset is added/disposed.

Estimates are used for computing asset's expected useful life and expected residual value at the end of its life. The estimated useful life is reviewed at least annually.

The estimated useful life are as follows:

- Leasehold Improvements – Period of lease
- Computers – 3 years
- Others – Furniture, Networking installations, Vehicle and Office equipment – 3 to 10 years.

Leasehold improvement assets are depreciated over the estimated useful life of asset or the relevant lease term, whichever is lower.

An assessment is done at each Balance Sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset / Cash Generating Unit (CGU) is made. Where the carrying value of the asset / CGU exceeds the recoverable amount, the carrying value is written down to the recoverable amount

iv. Intangible Assets and amortisation

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, such as software, platforms, applications, expenditure pertaining to research 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 five years, which is the management's estimate of its useful life. The useful life of an intangible asset is reviewed at each financial year end and adjusted prospectively.

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 also 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, 2022 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-

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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 based on an independent actuarial valuation is recognized as a liability.

The liability or asset recognized 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

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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

Stock options are granted to eligible employees under Employee Stock Option Scheme, 2018 as formulated by Bajaj Finserv Limited ("Holding Company"). The scheme is administered through Bajaj Finserv Employee Stock Option Trust ("The Trust"). The mode of settlement of the scheme is through equity shares of the holding company.

The options so granted are accounted for based on fair value basis in accordance with the "Guidance Note on Accounting for Employee Share based Payments" issued by the Institute of Chartered Accountants of India ("ICAI"). The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the 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. Further, any cost of such options, which is reimbursed to the holding company is amortised over the vesting period with a charge to the Profit and Loss Account.

ix. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of 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 to be recognised as 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.

Contingent liabilities are disclosed when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company accrues the estimated cost of provisions of wellness benefit 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 the respective 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.

Finance cost

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

x. Other income

The Company recognises income on accrual basis.

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Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss.

a) Current income tax

Current income tax for the current periods are measured at the amount expected to be recovered by 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

xi. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted-average number of equity and dilutive equivalent shares outstanding during the period.

xii. 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).

xiii. 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.

xiv. 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.

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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

xv. 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

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

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.

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Notes to Financial statements for the year ended March 31, 2023
(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
Gross Block							
As at March 31, 2021	161.26	60.11	186.28	73.04	54.20	18.34	553.23
Additions	293.14	27.38	67.62	20.17	35.39	171.86	615.56
Disposals/ movement	-	-	-	-	-	-	-
As at March 31, 2022	**454.40**	**87.49**	**253.90**	**93.21**	**89.59**	**190.20**	**1,168.79**
Additions	213.25	22.50	-	-	23.08	117.38	376.21
Disposals/ movement	17.69	82.98	253.90	92.31	52.28	-	499.16
As at March 31, 2023	**649.96**	**27.01**	**-**	**0.90**	**60.39**	**307.58**	**1,045.84**
Accumulated Depreciation							
As at March 31 2021	41.19	8.58	51.71	18.13	16.42	0.87	136.90
Additions	98.17	7.89	48.59	18.34	15.70	12.64	201.33
Disposals/ movements	-	-	-	-	-	-	-
As at March 31, 2022	**139.36**	**16.47**	**100.30**	**36.47**	**32.12**	**13.51**	**338.23**
Additions	176.28	3.33	12.99	5.07	12.15	27.53	237.35
Disposals/ movements	7.83	17.83	113.29	41.23	29.02	-	209.20
As at March 31, 2023	**307.81**	**1.97**	**-**	**0.31**	**15.25**	**41.04**	**366.38**
Net Block							
Net book value as at March 31, 2022	**315.04**	**71.02**	**153.60**	**56.74**	**57.47**	**176.69**	**830.56**
Net book value as at March 31, 2023	**342.15**	**25.04**	**-**	**0.59**	**45.14**	**266.54**	**679.46**

*No revaluation in current or previous year

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

Particulars	Leasehold Premises	Total
Gross Block		
As at March 31, 2021	544.56	544.56
Additions	1,353.98	1,353.98
Disposals/ movement	187.96	187.96
As at March 31, 2022	**1,710.58**	**1,710.58**
Additions	1,078.94	1,078.94
Disposals/ movement	524.00	524.00
As at March 31, 2023	**2,265.52**	**2,265.52**
Accumulated Depreciation		-
As at March 31, 2021	**181.54**	**181.54**
Additions	166.82	166.82
Disposals/ movements	33.27	33.27
As at March 31, 2022	**315.09**	**315.09**
Additions	460.44	460.44
Disposals/ movements	279.54	279.54
As at March 31, 2023	**495.99**	**495.99**
Net Block		-
Net book value as at March 31, 2022	**1,395.49**	**1,395.49**
Net book value as at March 31, 2023	**1,769.53**	**1,769.53**

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Notes to Financial statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

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 March 31, 2021	14.61	1,837.25	201.29	2,053.15
Additions	0.45	1,294.62	-	1,295.07
Disposals/ movement	-	201.29	(201.29)	-
As at March 31, 2022	**15.06**	**3,333.16**	**-**	**3,348.22**
Additions	-	2,981.82	-	2,981.82
Disposals/ movement	-	42.10	-	42.10
As at March 31, 2023	**15.06**	**6,272.88**	**-**	**6,287.94**
Accumulated Amortisation				
As at March 31, 2021	6.37	399.79	-	406.16
Additions	5.01	883.02	-	888.03
Disposals/ movement	-	-	-	-
As at March 31, 2022	**11.38**	**1,282.81**	**-**	**1,294.19**
Additions	3.52	832.07	-	835.59
Disposals/ movement	-	28.48	-	28.48
As at March 31, 2023	**14.90**	**2,086.40**	**-**	**2,101.30**
Net Block				
Net book value as at March 31, 2022	**3.68**	**2,050.35**	**-**	**2,054.03**
Net book value as at March 31, 2023	**0.16**	**4,186.48**	**-**	**4,186.64**

~No revaluation in current or previous year
*Intangible assets under development are internally generated assets

Pursuant to the technical assessment performed by the management of useful life of the intangibles during the year, the Company has changed its useful life of internally generated intangible assets from 3 years to 5 years . Consequent to this change, the depreciation expense in the statement of profit & loss for the period is lower by Rs 779.37 lakhs and corresponding the measurement in the intangible assets in the Balance Sheet for the period is higher by Rs 779.37 lakhs

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Notes to Financial statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Note 6: Financial assets

Note 6(a): Other Financial Assets - Non-current
(Unsecured, Considered Good)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	214.14	306.88
Total Other Financial asset	**214.14**	**306.88**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposit with original maturity of more than 3 months*	25.00	25.00
Other financial assets	12.30	-
Total Other Financial asset	**37.30**	**25.00**

*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, 2023	As at March 31, 2022
Investment in mutual funds		
Mutual Funds (At Fair Value through P&L)		
Quoted		
7367.10 (March 31, 2022: 5,359.15) units in HSBC Cash Fund - Growth Direct	165.18	156.22
4,066.88 (March 31, 2022: 4,066.88) units in Bandhan Liquid Fund - Growth -Direct Plan	110.56	104.56
Total (mutual funds)	**275.74**	**260.78**
Aggregate book value of quoted investments	275.74	260.78
Aggregate market value of quoted investments	275.74	260.78

All investments mentioned above are within India

Note 6(d): Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	1,929.61	869.53
Receivables from related parties	131.22	19.90
Total receivables	**2,060.83**	**889.43**

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

Break-up for trade receivables:

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, considered good	-	-
Unsecured, considered good	400.97	457.63
Trade Receivables which have increase in credit risk	1,950.81	876.75
Trade Receivables - credit impaired	111.56	-
	2,463.34	**1,334.38**
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk	290.95	444.95
Trade Receivables - credit impaired	111.56	-
	402.51	**444.95**
Total Trade receivables	**2,060.83**	**889.43**

Trade receivables ageing schedule

Particulars	31 March 2023				
	Not due	Less than 6 months	6 months-1year	1-2 years	Total
(i) Undisputed Trade receivables – considered good	47.03	352.07	0.60	1.27	400.97
ii) Undisputed Trade Receivables – which have significant increase in credit risk	1,877.79	73.02			1,950.81
ii) Undisputed Trade Receivables – credit impaired	-	-	-	111.56	111.56
Gross Trade receivables	**1,924.82**	**425.09**	**0.60**	**112.83**	**2,463.34**
Less: Impairment Allowance (allowance for bad and doubtful debts)					402.51
Trade receivables net of Impairment Allowance					**2,060.83**

Particulars	31 March 2022				
	Not due	Less than 6 months	6 months-1year	1-2 years	Total
(i) Undisputed Trade receivables – considered good	-	448.85	8.78	-	457.63
ii) Undisputed Trade Receivables – which have significant increase in credit risk	772.89	101.49	1.55	0.82	876.75
Gross Trade receivables	**772.89**	**550.34**	**10.33**	**0.82**	**1,334.38**
Less: Impairment Allowance (allowance for bad and doubtful debts)					444.95
Trade receivables net of Impairment Allowance					**889.43**

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Bajaj Finserv Health Limited
Notes to Financial statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Note 6(e) Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- in current accounts	1,080.85	1,599.66
Deposits with original maturity of less than three months	1,228.40	-
Total cash and cash equivalents	**2,309.25**	**1,599.66**

Note 7: Unrecognised Deferred tax assets

	Balance Sheet		Statement of profit and loss	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
Deferred tax liabilities				
On account of timing differences in:				
Defined benefit plans provisions - OCI	(53.53)	(1.34)	52.19	-
Fixed asset- impact of depreciation/ amortisation charged for financial reporting purpose	(442.71)	(165.01)	277.70	88.16
Fair valuation of mutual funds including FMP	(1.95)	(1.95)	0.00	1.95
Deferred tax assets				
Recognized to the extent of Deferred tax liability	498.19	168.30	(329.89)	(90.10)
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, 2023	As at March 31, 2022
GST credit receivable	1,957.13	1,476.35
Prepayment to gratuity fund	168.88	59.81
Prepayment toward share based payment (Refer note 27)	333.78	248.93
Total other non current assets	**2,459.79**	**1,785.09**

Note 9: Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	589.97	219.61
Prepayment toward share based payment (Refer note 27)	460.50	205.97
Supplier advances*	1,350.97	393.07
GST deposits	42.45	66.56
Total other current assets	**2,443.89**	**885.21**

*Advances to related parties contribute to 70% of supplier advances as on March 31, 2023 (March 31, 2022: 74%)

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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, 2023	As at March 31, 2022
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 (PY 25,00,000 equity shares)	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 March 31, 2021	25	250.00
Equity share capital issued, subscribed and fully paid up during the year	-	-
As at March 31, 2022	25	250.00
Equity share capital issued, subscribed and fully paid up during the year	-	-
As at March 31, 2023	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, 2023 (in lakhs)	As at March 31, 2022 (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, 2023		As at March 31, 2022	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Bajaj Finserv Limited (immediate and ultimate holding company)	25	100%	25	100%

iv) Details of promoter shareholding

Promoter name	As at March 31, 2023			As at March 31, 2022		
	Number of shares (in lakhs)	% holding	% change during the year	Number of shares (in lakhs)	% holding	% change during the year
Bajaj Finserv Limited (immediate and ultimate holding company)	25	100%	0%	25	100%	0%

10(b) Reserves and surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	(39,073.79)	(20,487.98)
Total reserves and surplus	**(39,073.79)**	**(20,487.98)**

Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(20,487.98)	(7,471.11)
Net profit/ (loss) for the period	(18,786.56)	(12,944.95)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	200.75	(71.92)
Total Retained earnings	**(39,073.79)**	**(20,487.98)**

10(c) Instruments entirely in equity

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	23,750.00	8,750.00
Add: Additions during the year	22,000.00	15,000.00
Closing balance	**45,750.00**	**23,750.00**

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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, 2023 and March 31, 2022

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	379.04	399.47
Non Current lease liabilities	1,406.41	974.46
Total	1,785.45	1,373.93

Following is movement in lease liabilities during period ended March 31, 2023 and March 31, 2022

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	1,373.93	390.35
Additions	1,029.15	1,272.80
Deletions	282.42	157.14
Finance cost accrued during the period	193.13	66.45
Payment of lease liabilities	528.34	198.53
Total	1,785.45	1,373.93

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	537.40	414.07
One to five years	1,622.05	1,399.93
More than five years	-	-
Total	2,159.45	1,814.00

11(b) Other current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	1,806.84	1,083.57
Capital creditor	166.46	115.59
Other payables	335.12	96.55
Total other current financial liabilities	2,308.42	1,295.71

*Other payable comprises of liability for expenses

11(c) Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
-total outstanding dues of micro enterprises and small enterprises	2.06	3.23
-total outstanding dues of creditors other than micro enterprises and small enterprises	3,542.47	2,351.34
Total trade payables	3,544.53	2,354.57

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

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables	2,677.78	1,277.93
Trade payables to related parties (Refer note 23)	866.75	1,076.64
Total trade payables	3,544.53	2,354.57

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2023 and March 31, 2022 is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Principal amount remaining unpaid	2.06	3.23
(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.	-	-

Particulars	Undisputed outstanding as at 31 March 2023		
	Not yet due	Less than 1 year	Total
MSME	-	2.06	2.06
Others	1,921.30	1,621.17	3,542.47

Particulars	Undisputed outstanding as at 31 March 2022		
	Not yet due	Less than 1 year	Total
MSME	-	3.23	3.23
Others	1,245.52	1,105.82	2,351.34

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Note 12: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for wellness services	1,514.04	797.20
Total	**1,514.04**	**797.20**

(i) Information about individual provisions and significant estimates

Provision for Wellness services
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.

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

Particulars	Cancellation provision	Provision for wellness services	Total
As at April 01, 2021	**106.67**	**87.85**	**194.52**
Charged/(credited) to profit or loss			
-additional provisions recognised	-	896.72	**896.72**
-unused amounts reversed	26.67	71.81	**98.48**
Amounts used during the year	80.00	115.56	**195.56**
As at March 31, 2022	**-**	**797.20**	**797.20**
As at April 01, 2022	**-**	**797.20**	**797.20**
Charged/(credited) to profit or loss			
-additional provisions recognised	-	4,268.04	**4,268.04**
-unused amounts reversed	-	325.44	**325.44**
Amounts used during the year	-	3,225.76	**3,225.76**
As at March 31, 2023	**-**	**1,514.04**	**1,514.04**

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Note 13: Provisions

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Provision for compensated absences	313.85	-	313.85	284.70	-	284.70
Total employee benefit obligations	**313.85**	**-**	**313.85**	**284.70**	**-**	**284.70**

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, 2023	As at March 31, 2022
Defined benefit obligations at the beginning of the year	451.53	267.61
Current service cost	157.39	99.56
Interest on defined benefit obligations	32.53	18.11
Remeasurement due to:		
Actuarial loss/(gain) arising on account of financial assumption	(8.08)	(32.37)
Actuarial loss/(gain) arising on account of demographic assumption	(255.79)	0.00
Actuarial loss/(gain) arising on account of experience changes	58.26	101.52
Benefits paid	(2.84)	(2.90)
Liabilities assumed/ (settled)*	137.88	0.00
Defined benefit obligation as at the end of the year	**570.88**	**451.53**

*on account of inter group transfer

Movement in plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan asset as at the beginning of the year	511.34	445.68
Employer contribution	192.95	49.42
Interest on plan assets	27.98	21.91
Remeasurement due to:		
Actual return on plan assets less interest on plan assets	(4.86)	(3.28)
Benefits paid	(2.85)	(2.90)
change in asset ceiling	0.50	0.51
Assets acquired	14.70	0.00
Fair value of plan asset as at the end of the year	**739.76**	**511.34**

*Assets acquired include write off of Rs 123.18 Lakhs towards inter group transfer of senior employees

Reconciliation of net liability/ asset

Particulars	As at March 31, 2023	As at March 31, 2022
Net defined benefit liability/(asset) as at the beginning of the year	(59.81)	(178.07)
Expense charged to statement of profit and loss	161.95	95.76
Amount recognised outside Profit and loss	(200.75)	71.92
Employer contribution	(192.95)	(49.42)
Remeasurement due to:		
Actuarial loss/(gain) arising on account of experience changes	0.00	0.00
Liabilities assumed/ (settled)	123.18	0.00
Net defined benefit liability/(asset) as at the end of the year	**(168.38)**	**(59.81)**

Expenses charged to the Statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	157.39	99.56
Write off for Assets acquired	123.18	0.00
Interest on net defined benefit liability/ (asset)	4.56	(3.80)
Expenses charged to the Statement of Profit and Loss	**285.13**	**95.76**

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Remeasurement gains/(losses) in other comprehensive income

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial loss/(gain) arising on account of financial assumption	(8.08)	(32.37)
Actuarial loss/(gain) arising on account of demographic assumption	(255.79)	0.00
Actuarial loss/(gain) arising on account of experience changes	58.26	101.52
Actual return on plan assets less interest on plan assets	4.86	3.28
Adjustment to recognise effect of asset ceiling	0.00	(0.51)
Expenses charged to the Statement of OCI	**(200.75)**	**71.92**

Amount recognised in Balance sheet (Refer note 8)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	570.88	451.53
Fair value of plan assets	739.76	511.34
Net defined benefit asset recognised in Balance Sheet	**168.88**	**59.81**

Key actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (p.a)	7.45%	7.25%
Salary escalation rate (p.a)	10.00%	10.00%
Mortality table	IALM(2012-14) Ult	IALM(2012-14) Ult
Withdrawal rate	15.00%	3.00%

Category of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Insurer Managed funds	739.76	511.34
Total plan assets	**739.76**	**511.34**

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, 2023		As at March 31, 2022	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Defined benefit obligation due to sensitivity in discount rate	551.47	591.45	418.82	487.68
Defined benefit obligation due to sensitivity in salary escalation rate	591.23	551.82	486.56	419.45

Projected Plan Cash Flow

	As at March 31, 2023		As at March 31, 2022	
Particulars	**Senior Staff**	**Junior Staff**	**Senior Staff**	**Junior Staff**
Within the next 12 months (next annual reporting period)	40.00	10.04	4.36	1.23
Between 2 and 5 years	183.33	78.46	32.70	10.89
Between 5 and 10 years	177.59	83.17	57.58	19.10
Beyond 10 years	280.13	217.95	751.44	803.47
Total Expected Payments	**681.05**	**389.62**	**846.08**	**834.69**

Note 14: Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory and other liabilities	509.88	449.36
Refund liability	2.65	6.83
Advance from customers	155.77	41.41
Total Other liabilities	**668.30**	**497.60**

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Note 15: Revenue From Operations

The company dervies the following types of revenue :

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
-Sale of services	17,996.74	8,667.52
Total revenue from oprations	**17,996.74**	**8,667.52**

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, 2023	Year ended March 31, 2022
Gross collections as per contracted price	28,553.40	13,517.76
Deductions for:		
Contract liabilities- Insurance premium	8,525.62	4,017.83
Net cancellation	2,031.04	832.41
Revenue from continuing operations	**17,996.74**	**8,667.52**

Note 16: Other income

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Net fair value gain of financial assets measured at fair value through profit and loss	14.97	9.94
Interest income from fixed deposits	17.59	4.86
Refund retained	398.08	122.38
Unwinding of discount on security deposits	67.85	16.16
Total other income	**498.49**	**153.34**

Note 17: Employee benefits expense

Particular	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus		8,846.17	5,490.52
Contribution to provident and other funds		302.10	198.22
Share based payment to employees	27	746.05	378.76
Gratuity	13	285.13	95.76
Staff welfare expenses		600.05	255.19
Total employee benefit expense		**10,779.50**	**6,418.45**

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Note 18: Depreciation and amortisation expense

Particular	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	3	237.35	201.42
Depreciation on right-of-use asset	4	460.44	166.82
Amortisation of intangible assets	5	835.59	888.03
Total depreciation and amortisation expense		**1,533.38**	**1,256.27**

Note 19: Other expenses

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Sales commission	11,671.70	5,659.06
Customer Service claims/provider claims	4,334.54	1,588.00
Sub-contracting expenses	3,038.80	2,574.66
Fees for Technical services*	1,541.19	964.03
Brand and marketing	1,248.73	961.97
Communication charges	1,189.82	683.88
Miscellaneous expenses	471.62	204.57
Travel and conveyance	424.46	87.60
Business support expenses (refer note 23)	420.81	668.09
Office expenses	232.86	75.06
Legal and professional fees	165.15	93.87
Bad debts expenses	148.64	-
Recruitment expenses	26.61	13.81
Repairs and maintenance	10.81	7.98
Payments to auditors (refer note 19(a) below)	5.00	5.00
Rates and taxes	0.30	6.29
Expected credit loss for trade receivables	(154.00)	430.77
Total other expenses	**24,777.04**	**14,024.64**

*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, 2023	Year ended March 31, 2022
Payment to auditor		
As auditor:		
Statutory audit fee	4.00	4.00
Tax audit fee	1.00	1.00
Out of pocket expenses	-	-
Total payments to auditor	**5.00**	**5.00**

Note 20: Finance costs

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on leased liabilities	191.87	66.45
Finance costs expensed	**191.87**	**66.45**

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Note 21: Fair value measurements

Financial instruments by category

Particular	As at March 31, 2023				As at March 31, 2022			
	Fair Value			Carrying Value	Fair Value			Carrying Value
	FVPL	FVOCI	Amortised Cost		FVPL	FVOCI	Amortised Cost	
Financial assets								
Investments								
- Mutual funds	275.74	-	-	275.74	260.78		-	260.78
Trade receivables	-	-	2,060.83	2,060.83	-	-	889.43	889.43
Cash and cash equivalents	-	-	2,309.25	2,309.25	-	-	1,599.66	1,599.66
Security deposits	-	-	214.14	214.14	-	-	306.88	306.88
Other financial assets	-	-	37.30	37.30	-	-	25.00	25.00
Total financial assets	**275.74**	**-**	**4,621.52**	**4,897.26**	**260.78**	**-**	**2,820.97**	**3,081.75**
Financial liabilities								
Trade payables	-	-	3,544.53	3,544.53	-	-	2,105.74	2,105.74
Lease liabilities	-	-	1,785.45	1,785.45	-	-	1,373.93	1,373.93
Other financial liabilities	-	-	2,308.42	2,308.42	-	-	1,295.71	1,295.71
Total financial liabilities	**-**	**-**	**7,638.40**	**7,638.40**	**-**	**-**	**4,775.38**	**4,775.38**

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, 2023	As at March 31, 2022
A) Profit attributable to the equity holders of the company:	(18,786.56)	(12,944.95)
B) Weighted average number of equity shares for basic earnings per share	25.00	25.00
Earning per Share (Basic) (Rs)	**(751.46)**	**(517.80)**
C) Weighted average number of equity shares for diluted earnings per share	3,696.99	1,649.59
Earning per Share (Diluted) (Rs)*	**(751.46)**	**(517.80)**

*Diluted Earning per share is same as Basic earning per share since potential equity shares is having anti-dilutive impact

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Note 23: Disclosure of transactions with related parties as required by the Indian Accounting Standard -24:

Name of related party and nature of relationship	Nature of transaction	Transaction Value for the period ended March 31, 2023	Outstanding amounts carried in the Balance Sheet	Transaction Value for the period ended March 31, 2022	Outstanding amounts carried in the Balance Sheet
Holding company:					
Bajaj Finserv Ltd (Holding company)	Contribution from group in nature of equity	(22,000.00)	(46,000.00)	(15,000.00)	(24,000.00)
	Business Support Charges~	420.81	(11.83)	668.09	-
	Tangible assets purchased	-	-	31.05	-
	Reimbursement for share based payment	1,085.45	(95.07)	702.70	-
Subsidiaries and fellow subsidiary:					
Bajaj Allianz General Insurance Co. Ltd. (Fellow subsidiary)	Insurance premium paid for employees/assets during the year	51.69	-	35.84	-
	Advance premium paid	-	3.40		57.62
	Insurance premium paid for master policy agreement	2,962.69		1,536.55	
	Closing balance of advance for master policy		269.91		54.57
	Revenue	(2,926.60)	84.65	(397.58)	399.14
Bajaj Allianz Life Insurance Co. Ltd. (Fellow subsidiary)	Insurance premium paid for employees during the year	17.95		41.68	-
	Advance premium paid		5.69	-	1.26
	Insurance premium paid for master policy agreement	3,548.29	-	1,678.42	-
	Closing balance of float advance	-	681.73	-	234.37
	Rent expenses	-	-	39.76	-
	Security deposit received	(23.11)	-		23.11
	Reimbursement	16.21	-	0.36	
	Revenue	(40.33)	8.01	-	-
Bajaj Finance Ltd (Fellow subsidiary)	Subvention cost charged during the year	89.34	-	188.05	-
	Business support services provided	-	-	0.00	-
	Tangible assets purchased	2.44	-	25.14	0.00
	Marketing Fees receivable during the period	(277.56)	38.56	(168.17)	9.62
	Marketing fees payable during the year	7,926.27	(866.75)	5,425.13	(1,076.64)
	Outstanding payable balance at year end	-	-	-	(26.01)
	Tangible assets Sales	(318.14)	-	-	-
Bajaj Finserv Direct Limited (Fellow subsidiary)	Business Support Charges	-	-	24.20	-
	Marketing fees payable during the year	21.49	-	-	-
	Rent Expense	0.59	-	-	-
	Marketing Fees receivable during the period	(0.32)	0.37	-	-
	Tangible Assets purchased	2.01	-	-	-
Bajaj Financial Securities Ltd (Fellow subsidiary)	NPS Contribution paid	16.83		-	-
Other entity					
Bajaj Holdings and Investment Ltd (Other entity)	Reimbursement	-	-	0.04	-
Hind Musafir Agency Ltd (Other entity)	Travelling expenses	77.14	(16.28)	17.84	(0.96)
Bajaj Allianz Staffing Solutions Ltd (Other entity)	Outsourced resource cost	42.48	-	-	-
Bajaj Auto Employees Group Gratuity Fund (Other Entity)	Paid contribution for Group Gratuity Fund for junior staff	111.31	-	10.00	-
Bajaj Auto Senior staff Group Gratuity Fund (Other Entity)	Paid contribution for Group Gratuity Fund for senior staff	88.69	-	40.00	-
Key Managerial Personnel					
Devang Mody (Whole Time Director)	Short term employee benefits	1,099.38	-	852.43	-
	Share based payment	458.94		183.14	

The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (Ind AS) 24.
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, 2023	As at March 31, 2022
Equity	6,926.21	3,512.02
Adjustments:		
Tangible and other assets	(8,527.38)	(5,481.19)
Working capital	1,876.91	2,229.95
Investments in Mutual Funds	**275.74**	**260.78**

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Note 25: Fair Value Hierarchy

1. Quantitative Disclosures

a. Quantitative disclosure of fair value measurement hierarchy for assets

	March 31, 2023		March 31, 2022	
	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	275.74	-	260.78	-
Total	**275.74**	**-**	**260.78**	**-**

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, 2023 and March 31, 2022

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 0.52 lakhs in FY 22-23 Rs (3.92 lakhs in FY 21-22)

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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Notes to Financial statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

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-23			31-Mar-22		
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Property, plant and equipment	-	679.46	679.46	-	830.56	830.56
Right of Use Asset	-	1,769.53	1,769.53	-	1,395.49	1,395.49
Other intangible assets	-	4,186.64	4,186.64	-	2,054.03	2,054.03
Intangible assets under development	-	-	-	-	-	-
Other assets	2,443.89	2,459.79	4,903.68	885.21	1,785.09	2,670.30
Current tax assets	-	624.23	624.23	-	83.60	83.60
Investments	275.74	-	275.74	260.78	-	260.78
Trade receivables	2,060.83	-	2,060.83	889.43	-	889.43
Cash and cash equivalents	2,309.25	-	2,309.25	1,599.66	-	1,599.66
Security deposits	-	214.14	214.14	-	306.88	306.88
Other Financial assets	37.30	-	37.30	25.00	-	25.00
Total Assets	**7,127.01**	**9,933.79**	**17,060.80**	**3,660.08**	**6,455.65**	**10,115.73**
Liabilities						
Provisions	1,827.89		1,827.89	1,081.90		1,081.90
Other current liabilities	668.30		668.30	497.60		497.60
Trade payables	3,544.53	-	3,544.53	2,354.56	-	2,354.56
Lease liabilities	399.48	974.46	1,785.44	399.48	974.46	1,373.94
Other financial liabilities	2,308.42	-	2,308.42	1,295.71	-	1,295.71
Total Liabilities	**8,748.62**	**974.46**	**10,134.58**	**5,629.25**	**974.46**	**6,603.71**
Net	**(1,621.61)**	**8,959.33**	**6,926.22**	**(1,969.17)**	**5,481.19**	**3,512.02**

Note 26: Capital and other commitments

(a) Capital Commitments

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Capital commitments [estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)]	29.40	47.99

(b) Other Commitments

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Bank guarantee*	50.00	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 Board'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. 702.70 lakhs (FY21-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, 2023	Year ended March 31, 2022
Opening asset of share based payment transaction	454.90	130.96
Payment toward share based payment	1,004.88	702.70
Expense arising from share based payment transaction	746.05	378.76
Closing asset of share based payment transaction	713.73	454.90

Below is summary of options granted under the plan

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	33,712.00	13,850.00
Granted during the year	27,544.00	20,975.00
Exercised during the year	8,888.00	1,113.00
Cancelled during the year	3,112.00	-
Closing balance	**49,356.00**	**33,712.00**

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

Tranche 2

The fair value at grant date of options granted on April 28, 2021 was Rs 3,350.16. 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

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Tranche 3

The fair value at grant date of options granted on April 27, 2022 was Rs 5,093.70. 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

Tranche 4

The fair value at grant date of options granted on August 02, 2022 was Rs 558.14. 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:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
a) Options granted for no consideration and vesting period is	1-4 years	1-4 years	1-4 years	1-4 years
b) Exercise price	Rs 4,702.05 per option	Rs 10,091.35 per option	Rs 14,826.40 per option	Rs 15,073.1 per option
c) Grant date	May 21, 2020	Apr 28, 2021	Apr 27, 2022	Aug 02, 2022
d) Exercise date	May 20, 2024	Apr 27, 2025	Apr 26, 2026	Aug 01, 2026
e) Share price at grant date	Rs 4,702.05	Rs 10,091.35	14826.4	15,073.10
f) Expected price volatility of the company's shares:	35.56%	34.64%	37.75%	35.30%
g) Expected dividend yield	0.05%	0.05%	0.02%	0.03%
h) risk free interest rate	6.35%	5.69%	5.35%	6.42%

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 : Contingent liabilities

The company has no contingent liabilities in current year and previous year.

Note 29 : Additional Regulatory Requirements

i) Ratios

Ratio	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	% Variance	Explanation
(a) Current Ratio	Current Assets	Current Liabilities	0.82	0.65	26%	Increase in investments has resulted in the improvement of the ratio
(b) Return on Equity Ratio	Net Income	Shareholder's Equity	(2.71)	(3.69)	26%	
(c) Trade receivables turnover ratio	Revenue	Average accounts receivable	12.20	15.77	23%	Full payment mode collection sales increased leading to lower ratio
(d) Trade payables turnover ratio	Purchases	Average accounts payable	8.06	7.95	1%	
(e) Net capital turnover ratio	Revenue	Working Capital	(11.24)	(4.46)	152%	Increased revenue leading change in ratio
(f) Net profit ratio	Net profit	Net sales	(1.04)	(1.47)	29%	Improved margins leading improvement in ratio
(g) Return on Capital employed	Earning before interest and tax	Capital employed	(2.25)	(2.89)	22%	Improved margins leading improvement in ratio
(h) Return on investment	Earning before interest and tax	Average Operating assets	(1.38)	(1.77)	-22%	Improved margins leading improvement in ratio

ii) Relationship with struck off companies

Current year

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company
	NIL		

Previous year

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company
	NIL		

iii) no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

iv) no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Soorej Kombalt
Partner
ICAI Membership Number: 164366
Pune:
Date: 25 April 2023

On behalf of the Board of Directors

Devang Mody
Director
DIN:07794726

V.Rajagopalan
Director
DIN:02997795

Maneesh Sharma
Finance Head