

Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.)**Special Purpose Balance Sheet as at 31 March 2024***(All amounts are in Indian Rupees millions, unless otherwise stated)*

Particulars	Notes	As at 31 March 2024
ASSETS		
Non-current assets		
Property, plant and equipment	4	0.44
Total Non-current assets		0.44
Current assets		
Financial assets		
- Trade receivables	5	928.27
- Cash and cash equivalents	6	63.36
Other current assets	7	6.20
Total Current assets		997.83
Total Assets		998.27
EQUITY AND LIABILITIES		
Equity		
Other equity		
a) Retained Earnings	8	552.76
b) Exchange difference on translation of financial statements of foreign operations	8	6.50
c) Other components of equity	8	108.91
Total Equity		668.17
Liabilities		
Current liabilities		
Financial liabilities		
- Trade payables	9	-
Total outstanding dues to micro enterprises and small enterprises		-
Total outstanding dues to creditors other than micro enterprises and small enterprises		25.56
- Other financial liabilities	10	297.18
Other current liabilities	11	7.36
Total Current liabilities		330.10
Total Liabilities		330.10
Total Equity and Liabilities		998.27

Summary of material accounting policies

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

As per our report of even date

for Agrawal Jain & Gupta
Chartered Accountants

Firm registration number: 013538C

Sarwan Kumar Prajapati
Partner
Membership No: 199969Place: Mumbai
Date: 26 June 2024*for and on behalf of the Board of Directors of*
Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.)**Sarvabhoulman Doraiswamy Srinivasan**
*Group Chief Financial Officer*Place: Bengaluru
Date: 26 June 2024

Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.)**Special Purpose Statement of Profit and Loss***(All amounts are in Indian Rupees millions, unless otherwise stated)*

Particulars	Notes	For the period ended 31 March 2024
Income		
Revenue from operations	12	1,036.97
Total income		1,036.97
Expenses		
Employee benefits expense	13	416.68
Other expenses	15	129.45
Total expenses		546.13
Earnings before interest expense, taxes, depreciation and amortisation		490.84
Depreciation expenses	14	0.02
Profit before tax		490.82
Tax expense:	16	
Current tax		107.26
Deferred tax		(0.01)
Total tax expense		107.25
Profit for the year		383.57
Other Comprehensive Income (OCI)		
Items that will be reclassified subsequently to the statement of profit and loss		
Exchange difference on translation of financial statements of foreign operations		5.01
Other comprehensive income for the year, net of tax		5.01
Total comprehensive income for the year		388.58

Summary of material accounting policies

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As per our report of even date

for **Agrawal Jain & Gupta***Chartered Accountants*

Firm registration number: 013538C

Sarwan Kumar Prajapati*Partner*

Membership No: 199969

Place: Mumbai

Date: 26 June 2024

*for and on behalf of the Board of Directors of***Sagility Payment Integrity Solutions LLC (formerly known as
Devlin Consulting Inc.)****Sarvabhouman Doraiswamy Srinivasan***Group Chief Financial Officer*

Place: Bengaluru

Date: 26 June 2024

Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.)**Special Purpose Statement of Cash Flows***(All amounts are in Indian Rupees millions, unless otherwise stated)*

Particulars	For the period ended 31 March 2024
Cash flows from operating activities	
Profit before tax for the year	490.82
Adjustments for:	
Depreciation expense	0.02
Operating profit before working capital adjustments	490.84
Working capital adjustments:	
Trade receivables	(742.45)
Other current assets	(6.20)
Trade payables	26.08
Other current financial liabilities	285.70
Other current liabilities	7.37
Cash flows generated from operating activities	61.34
Income taxes paid (net of refunds)	1.66
Net cash flows generated from operating activities (A)	63.00
Cash flows from investing activities	
Acquisition of property, plant and equipment and other intangible assets	(0.45)
Net cash flows used in investing activities (B)	(0.45)
Cash flows from financing activities	
Net cash flows used in financing activities (C)	-
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	62.55
Cash and cash equivalents at the beginning of the year	0.82
Effect of movement in exchange rates on cash and cash equivalents	(0.01)
Cash and cash equivalents at the end of the year	63.36
Cash and cash equivalents comprises of:	
Cash and bank balances (refer note 6)	63.36
	63.36

Refer note 17 for supplementary information on cash flow movements.

Note:

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

Summary of material accounting policies

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

As per our report of even date

for **Agrawal Jain & Gupta**
Chartered Accountants

Firm registration number: 013538C

Sarwan Kumar Prajapati
Partner
Membership No: 199969

Place: Mumbai
Date: 26 June 2024

for and on behalf of the Board of Directors of
**Sagility Payment Integrity Solutions LLC (formerly known as
Devlin Consulting Inc.)**

Sarvabhoulman Doraiswamy Srinivasan
Group Chief Financial Officer

Place: Bengaluru
Date: 26 June 2024

Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.)
Special Purpose Statement of Changes in Equity for the year ended 31 March 2024
(All amounts are in Indian Rupees millions, unless otherwise stated)

A. Other equity

Particulars	Attributable to the equity owners of the Company			
	Reserves and surplus		Items of Other comprehensive income	
	Retained earnings	Other component of equity*	Exchange difference on translation of financial statements of foreign operations	Total
Balance as at 01 April 2023	169.19	-	1.49	170.68
Profit for the year	383.57	-	-	383.57
Other comprehensive income, net of tax	-	-	5.01	5.01
Total comprehensive income for the year	383.57	-	5.01	388.58
Transactions with owners in their capacity as owners:	-	-	-	-
Movement during the year	-	108.91	-	108.91
Balance as at 31 March 2024	552.76	108.91	6.50	668.17

* The tax liability of the company has been estimated using statutory tax rate applicable to the company. The intermediate holding company of the company i.e. Sagility US (Holdings) Inc is filings its consolidated tax return of the US Company entities, therefore the Company has recognised tax liability/ advance income tax and deferred tax asset/ liabilities in other component of equity as part of the shareholder's transactions.

Summary of material accounting policies

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

As per our report of even date

for Agrawal Jain & Gupta
Chartered Accountants
Firm registration number: 013538C

for and on behalf of the Board of Directors of
Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.)

Sarwan Kumar Prajapati
Partner
Membership No: 199969

Sarvabhoutan Doraiswamy Srinivasan
Group Chief Financial Officer

Place: Mumbai
Date: 26 June 2024

Place: Bengaluru
Date: 26 June 2024

1 Corporate information

Sagility Payment Integrity Solutions LLC was incorporated as a Arizona Limited Liability Company and bears the US tax id – 86-0793390. Its registered office is c/o its registered agent Cogency Global Inc., 1090, South Gilbert Road, Suite 106 – 128, Gilbert, Arizona - 85296. Its Corporate office is situated at 11000 Westmoor Circle, Suite 125, Westminster, CO 80021

The Company provides payment integrity services to healthcare clients, primarily in the Payor segments (such as health insurance companies)

The Ultimate Holding Company of Sagility Payment Integrity Solutions LLC is EQT AB incorporated in Sweden, the intermediate holding company is Sagility (US) Holdings Inc.

2 Basis of preparation

2.1 Statement of Compliance

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

These Special Purpose financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date 31 March 2024. These Special Purpose financial statements were authorised for issuance by the Company's Board of Directors on 26 June 2024.

The management has identified the company as material subsidiary as per Schedule VI Para 11(I)(A)(ii) of the SEBI ICDR Regulations, 2018, as per the regulation, the management has prepared the special purpose financial statements for the purpose of upload the Ind AS compliant Financial Statements on the website of the company.

As per Schedule VI Para 11(I)(A)(ii) of the SEBI ICDR Regulations, 2018, an entity contributing 10% or more to the turnover or net-worth or profits before tax on the basis of annual consolidated financial statements in any of the three preceding financial years.

Basis of measurement

These Special Purpose Financial Statements have been prepared on a historical cost convention on an accrual basis of accounting.

These Special purpose financial statements have been prepared for the period 19 April 2023 to 31 March 2024, being 19 April 2023 was the date of acquisition and control acquired by its immediate holding company i.e. Sagility LLC. The Company has presented comparative period, being the above special purpose financial statements have been prepared for the purpose of consolidation with Sagility India Limited - the ultimate holding company post acquisition.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 Company has consistently applied the following accounting policies throughout the periods presented in these Special Purpose Financial Statements.

Measurement of Earnings before interest expense, tax, depreciation and amortization (EBITDA)

As permitted by the Guidance Note on Division II - Ind AS Schedule III to the Companies Act, 2013, the Company has elected to present Earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Special Purpose statement of profit and loss. In its measurement of EBITDA, the Company includes other income but does not include depreciation and amortization expense, finance costs and tax expenses/ (credit), net.

2.2 Functional and presentation currency

These Special Purpose Financial Statements are presented in Indian Rupees, which is the Company's functional and presentation currency. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. All the amounts have been rounded off to the nearest millions, unless otherwise indicated.

2.3 Use of estimates and judgements

The preparation of the Special Purpose Financial Statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as at the date of the Special Purpose Financial Statements and reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Special Purpose Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Special Purpose Financial Statements.

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

2.4 Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities into current and non-current. Accordingly, current assets do not include elements which are not expected to be realised within 12 months and current liabilities do not include items where the Company does not have an unconditional right to defer settlement beyond a period of 12 months, the period of 12 months being reckoned from the reporting date.

2.5 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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3 Material accounting policy information

This note provides a list of the material accounting policies adopted in the preparation of these Special Purpose Financial Statements.

3.1 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items and comprises its purchase price, including import duties and non-refundable taxes or levies and any directly attributable cost of the bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

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

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised. The costs of the day-to-day servicing of plant and equipment are recognised in Special Purpose statement of profit and loss as incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in the Special Purpose statement of profit and loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative year are as follows:

(in years)

Asset category	Useful life as per Companies Act, 2013	Useful Life estimated by the management
Computers*	3	6

*For these class of assets, based on internal assessment and technical evaluation carried out, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of the Schedule II to the Companies Act, 2013.

Derecognition

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Special Purpose statement of profit and loss.

3.2 Leases

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

- (i) the contract involves the use of an identified asset;
- (ii) the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- (iii) the Company has the right to direct the use of the asset.

As a lessee

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company recognises lease liability at the present value of the future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- (i) fixed payments, including in-substance fixed payments;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as
- (iii) amounts expected to be payable under a residual value guarantee;
- (iv) the exercise price under a purchase option that the Company is reasonably certain to exercise, and
- (v) lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revision in in-substance fixed lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Special Purpose statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as right-of-use assets and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

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

3.3 Foreign currency translation

Transactions and balances

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the reporting date.

Gains and losses arising on restatement of foreign currency denominated monetary assets and liabilities are included in the Special Purpose statement of profit and loss. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at an exchange rate that approximates the rate prevalent on the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Translations

For the purposes of presenting these Special Purpose Financial Statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than Rs. are translated into Rs. using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the Special Purpose statement of profit and loss as part of the profit and loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

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3.4 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Non-derivative financial instruments consist of the following:

(i) financial assets, which include cash and cash equivalents, trade receivables, security deposits and eligible current and non-current assets;

(ii) financial liabilities, which include loans and borrowings, finance lease liabilities, trade payables, deferred consideration on business combinations and eligible current and non-current liabilities.

Non-derivative financial instruments are recognised when the Company becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets (excluding trade receivables) and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price. Trade receivables that contain a significant financing component are measured at their present value with interest thereon being accreted over the period to the receivables becoming due for collection.

Financial assets – Business model assessment

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

- > the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- > how the performance of the portfolio is evaluated and reported to the Company's management;
- > the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- > how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- > the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

(ii) Classification and subsequent measurement

Non-derivative financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in the Special Purpose statement of profit and loss or other comprehensive income.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Measurement:

At initial recognition, the Company measures a financial asset (unless it is a trade receivable without a significant financing component) or financial liability at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Transaction costs of financial assets carried at fair value through profit and loss are expensed in Special Purpose statements of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in Special Purpose statement of profit and loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the Special Purpose statement of profit and loss.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in Special Purpose statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Special Purpose statement of profit and loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in Special Purpose statement of profit and loss.
- Fair value through profit and loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit and loss is recognised in Special Purpose statement of profit and loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Changes in the fair value of financial assets at fair value through profit and loss are recognised in other gains/ (losses) in the Special Purpose statement of profit and loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Special Purpose statement of profit and loss. These financial liabilities comprises of trade and other payables, borrowings and lease liabilities. For trade and other payables maturing within one year from the reporting date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3.4 Financial instruments (continued)

(iii) Derecognition

Financial assets

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in Special Purpose statement of profit and loss.

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts and cash credits that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

Fair value of financial instruments

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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When a quote is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the Special Purpose 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 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the Special Purpose Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

3.5 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises expected credit loss allowances ('ECLs') on:

- financial assets measured at amortised costs; and
- contract assets (as defined in Ind AS 115).

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition. At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

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

(ii) **Non-financial assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Special Purpose statement of profit and loss.

3.6 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the Special Purpose statement of profit and loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Compensated absences

The Company has a policy on compensated absences that is both accumulating and non-accumulating in nature. Non-accumulating compensated absences are measured on an undiscounted basis and are recognized in the period in which absences occur. The cost of short-term compensated absences are provided for based on estimates. The expected cost of accumulating compensated absences is determined by actuarial valuation at each reporting date measured based on the amounts expected to be paid / availed as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Special Purpose statement of profit and loss. The Company presents the entire obligation for compensated absences as a current liability, since it does not have an unconditional right to defer its settlement beyond 12 months from the reporting date.

3.7 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contract is considered onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision for an onerous contract is measured at the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Material contingent liabilities are disclosed in the Special Purpose Financial Statements unless the possibility of an outflow of economic resources is remote.

3.8 Revenue recognition

Revenue from contracts with customers

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the transaction price (net of variable consideration) allocated to a particular performance obligation.

Nature of the services

The Company derives its revenue by providing payment integrity services to healthcare clients, primarily in the Payor segments (such as health insurance companies)

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers as it is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity / service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

Fixed price contracts

In respect of fixed-price contracts, where performance obligations are satisfied over a period of time, revenue is recognised by means of percentage of completion method. Under this method, revenue is recognised by applying the percentage of completion on the transaction price, calculated as the proportion of the cost of effort incurred up to the reporting date to estimated cost of total effort.

Contract Asset and Liabilities

The Company classifies its right to consideration in exchange for deliverables as either a receivable or a contract asset.

A receivable is a right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. For example, the Company recognizes a receivable for revenues related to time and materials contracts or volume based contracts. The Company presents such receivables as part of trade receivables at their net estimated realizable value. The same is tested for impairment as per the guidance in Ind AS 109 using expected credit loss method.

3.9 Tax expense

Tax expense comprises current and net change in the deferred tax asset or liability during the year. Current tax and deferred tax are recognised in Special Purpose statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes do not meet the definition of income taxes, and therefore accounted for them as finance cost in the Special Purpose statement of profit and loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities is recognised using the balance sheet approach. Deferred tax is recognized on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit and loss at the time of the transaction. 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 utilized.

The measurement of deferred taxes reflects the tax consequences that would follow the way the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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Notes to the Special Purpose Financial Statements

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

4 Property, plant and equipment

Particulars	Computers	Total
Cost		
Balance as at 31 March 2023	-	-
Additions	0.45	0.45
Effect of movements in exchange rates	0.01	0.01
Balance as at 31 March 2024	0.46	0.46
Balance as at 31 March 2023	-	-
Charge for the year	0.02	0.02
Effect of movements in exchange rates	(0.00)	(0.00)
Balance as at 31 March 2024	0.02	0.02
Net block as at 31 March 2024	0.44	0.44
Net block as at 31 March 2023	-	-

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Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.)**Notes to the Special Purpose Financial Statements***(All amounts are in Indian Rupees millions, unless otherwise stated)***5 Trade receivables**

Particulars	As at 31 March 2024
Trade receivables from contracts with customers - billed	539.70
Trade receivables from contract with customers - unbilled	159.19
Advance given to related parties *	229.38
	928.27

* For transactions with related parties - Refer note 18

Particulars	As at 31 March 2024
Unsecured, considered good	
Trade receivables	698.89
Significant increase in credit risk	
Trade receivables	-
Allowance for doubtful receivables	-
	698.89

6 Cash and cash equivalents

Particulars	As at 31 March 2024
Balances with banks	
- in current accounts	63.36
	63.36

7 Other assets (current)

Particulars	As at 31 March 2024
Advances to suppliers	0.38
Advances to employees	0.12
Prepaid expenses	5.70
	6.20

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8 Other Equity

Particulars	As at 31 March 2024
(i) Exchange difference on translation of financial statements of foreign operations	
Balance at the beginning of the year	1.49
Add: Movement during the year	5.01
Balance at the end of the year	6.50
(ii) Retained earnings	
Balance at the beginning of the year	169.19
Add: Profit for the year	383.57
Balance at the end of the year	552.76
(iii) Other component of equity	
Balance at the beginning of the year	-
Add: Movement during the year	108.91
Balance at the end of the year	108.91
Total	668.17

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

Sr.No Nature & purpose of reserves

- (i) Exchange difference on translation of financial statements of foreign operations**
Exchange differences relating to the translation of the results and net assets of the foreign operations from their respective functional currencies to the Company's functional and presentation currency are recognized directly in OCI and accumulated in other equity. When a foreign operation is disposed off, the relevant amount recognized in other equity is transferred to the special purpose statement of profit and loss as part of the profit or loss on disposal.
- (ii) Retained earnings**
Retained earnings comprises of prior and current year undistributed earnings / (losses) after tax.
- (iii) Other component of equity**
The tax liability of the company has been estimated using statutory tax rate applicable to the company. The intermediate holding company of the company i.e. Sagility US (Holdings) Inc is filings its consolidated tax return of the US Company entities, therefore the Company has recognised tax liability/ advance income tax and deferred tax asset/ liabilities in other component of equity as part of the shareholder's transactions.

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9 Trade payables

Particulars	As at
	31 March 2024
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	25.56
	25.56

10 Other financial liabilities (current)

Particulars	As at
	31 March 2024
Employee benefits payable	124.36
Advance received from related parties *	0.66
Other payables	172.16
	297.18

* For transactions with related parties - Refer note 18

11 Other liabilities (current)

Particulars	As at
	31 March 2024
Statutory dues	7.36
	7.36

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12 Revenue from operations

Particulars	For the period ended 31 March 2024
Revenue from contracts with customers	
Revenue from sale of services (refer note 18)	1,036.97
Total	1,036.97

Disclosures required under Ind AS 115 - Revenue from contracts with customers**A) Disaggregation of revenue information**

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

Particulars	For the period ended 31 March 2024
Major service line	
Business process management services	1,036.97
	1,036.97

B) Recognition of revenue over the period of time or at a point in time

Particulars	For the period ended 31 March 2024
Revenue recognized over time	1,036.97
	1,036.97

C) Recognition of revenue as per customer category

Particulars	For the period ended 31 March 2024
Customer category	
Payer	1,036.97
	1,036.97

D) Reconciliation of revenue recognised with contract price

Particulars	For the period ended 31 March 2024
Contract price	1,036.97
Adjustments for:	
Reduction towards variable consideration components such as penalty, cash and volume discount	-
Revenue from contracts with customers	1,036.97

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13 Employee benefits expense	For the period ended 31
Particulars	March 2024
Salaries, bonus and allowances	368.49
Contribution to provident and other funds (refer note 19)	21.54
Compensated absences	0.85
Staff welfare expenses	25.80
	416.68
14 Depreciation expenses	
Particulars	For the period ended 31
	March 2024
Depreciation on property, plant and equipment (refer note 4)	0.02
	0.02
15 Other expenses	
Particulars	For the period ended 31
	March 2024
Legal and professional fees	71.37
Software subscription charges	53.83
Travelling and conveyance	3.38
Communication expenses	0.03
Marketing expenses	0.08
Insurance charges	0.07
Repairs and maintenance	
-computers	0.20
Postage and courier	0.18
Miscellaneous expenses	0.31
	129.45

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16 Income tax

The major components of income tax expense for the year ended 31 March 2024 is:

Special Purpose Statement of profit and loss section

Particulars	For the period ended 31 March 2024
Tax expense:	
Current tax	107.26
Deferred tax	(0.01)
Income tax expense reported in the special purpose statement of profit and loss for the year	107.25

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year:

Particulars	For the period ended 31 March 2024
Profit before tax	490.82
Expected tax expense at the enacted tax rate of 21.00% in the USA	103.07
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:	
Others	4.18
Net tax expense	107.25

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17 Segment information

The CODM evaluates the Company's performance and reviews revenue and profit as the performance indicator. The Company operates in one segment only i.e. "Business process management services". The CODM evaluates performance of the Company as one single segment. Accordingly, segment information has not been separately disclosed. With respect to geographic segment, all of the Company's revenue is recognised from contracts with customers in the United States of America. CODM does not review assets and liabilities at a geography level, hence segment disclosures relating to total assets and liabilities have not been provided.

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18 Related party disclosures

In accordance with Ind AS-24 "Related Party Disclosures" of the Companies (Accounts) Rules 2015, as amended time to time and the Companies Act, 2013, the names of related parties along with aggregate amount of transactions and year end balances with them are given as follows:

(i) Ultimate Holding company

EQT AB - ultimate holding company with effect from 18 October 2022
Baring Private Equity Asia GP VIII Limited (Cayman Islands) until 17 October 2022

(ii) Ultimate Beneficial Owner with a Controlling Stake

Jean Eric Salata Rothleder - Ultimate beneficial owner with a controlling stake, until 17 October 2022

(iii) Intermediate Holding company

Sagility B.V.
Sagility India Limited (w.e.f 28 March 2024)
Sagility (US) Holdings Inc
Sagility (US) Inc. (formerly known as Betaine (US) BidCo Inc.)
Sagility Operations Inc.(formerly known as HGS Healthcare Operations Inc.)

(iv) Immediate Holding company

Sagility LLC (formerly known as HGS Healthcare, LLC)

(v) Fellow Subsidiaries

Sagility Technologies LLC(formerly known as HGS Colibrium, LLC)

(vi) Key managerial personnel

Sarvabhoman Doraiswamy Srinivasan

Designation

Group Chief Financial Officer

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18 Related party disclosures (continued)

(i) There are no transactions were carried out with related parties during the year in the ordinary course of business

(ii) **Balances outstanding at year end:**

Particulars	As at 31 March 2024
Advance given	
Sagility LLC	224.53
Sagility Technologies LLC	4.85
Advance received	
Sagility LLC	0.66

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19 Employee benefits

a) Defined contribution plans:

The contributions paid/ payable to Employee Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 401(K) and other funds, are determined under the relevant approved schemes and / or statutes and are recognised as an expense in the special purpose statement of profit and loss during the year in which the employee renders the related service. There are no further obligations other than the contributions payable to the appropriate authorities by the Company.

During the year, the Company has recognised the following amounts in the special purpose statement of profit and loss, which are included in contribution to provident and other funds:

Particulars	For the period ended 31 March 2024
Contribution to provident fund and other funds	21.54

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20 Financial instruments - fair value measurement

A The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2024

Particulars	Carrying amount				Fair value			Total
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	
Financial assets not measured at fair value								
Trade receivables	-	-	928.27	928.27	-	-	-	-
Cash and cash equivalents	-	-	63.36	63.36	-	-	-	-
Total	-	-	991.63	991.63	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	-	-	25.56	25.56	-	-	-	-
Other financial liabilities	-	-	297.18	297.18	-	-	-	-
Total	-	-	322.74	322.74	-	-	-	-

The fair value of cash and cash equivalents, trade receivables (including unbilled receivables), trade payables, other financial assets and liabilities approximate the carrying amount thereof as at 31 March 2024, largely due to the short-term nature of these instruments.

(a) Fair value hierarchy

The section explains the judgements and estimates made in determining the fair value of the financial instruments that are:

- recognised and measured at fair value.
- measured at amortised cost and for which fair values are disclosed in the financial statement.

To provide an indication of the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels as mentioned under Indian Accounting Standards.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no changes in fair value hierarchy during the previous year.

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21 Financial instruments - risk management

The Company has exposure to the following risks arising from financial instruments: credit risk (refer note (b) below); liquidity risk (refer note (c) below); market risk (refer note (d) below).

(a) Risk management framework

The Company's Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board and appropriate corrective actions are taken as required.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to any other financial instrument fails to meet its contractual obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks, derivative financial instruments and security deposits.

Financial assets that are neither past due nor impaired

The Company establishes an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The allowance account is used to provide for impairment losses. Subsequently when the Company is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no significant liquidity risk is perceived.

21 Financial instruments - risk management (continued)

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flows, and include contractual interest payments and exclude the impact of netting agreements.

Particulars	Carrying amount	Total undiscounted contractual payments	0–12 months	1–5 years	> 5 years
As at 31 March 2024					
Trade payables	25.56	25.56	25.56	-	-
Other financial liabilities	297.18	297.18	297.18	-	-
	322.74	322.74	322.74	-	-

As of 31 March 2024, the Company had a working capital of Rs. 667.73 million including cash and cash equivalents of Rs. 63.36 million and receivables of Rs. 928.27 million.

(d) Market risk

Market risk is the risk that changes in market prices which is mainly foreign exchange rates affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

(a) Foreign currency risk exposure

The Company's has no foreign currency risk exposure as at the balance sheet date.

ii) Interest rate risk

Interest rate on the Company's borrowings are fixed, hence there is no interest rate risk.

22 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's capital structure includes debt and is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, including interest-bearing loans and borrowings less cash and cash equivalents and other bank balances. Adjusted equity comprises all components of equity except hedge reserve.

The Company's adjusted net debt to equity ratio is analysed as follows:

Particulars	As at
	31 March 2024
Total borrowings including lease liabilities	-
Less: Cash and cash equivalents	(63.36)
Adjusted net debt	(63.36)
Total equity	552.76
Adjusted equity	552.76
Adjusted net debt to adjusted equity ratio	-

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23 Contingent Liabilities

There are no contingent liabilities as at 31 March 2024.

24 Capital and other commitments

Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) amount to Rs. Nil.

25 Assessment of arms' length for related party transactions

The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation applicable in each of the geographies in which they operate. Based on the above, the Company's management believes that the applicable legislations will not have any impact on the financial statements, particularly on the amount of tax expense and on the provision for taxation.

26 Events after the Reporting period

There is no subsequent event post Balance sheet date.

As per our report of even date

for **Agrawal Jain & Gupta**

Chartered Accountants

Firm registration number: 013538C

for **and on behalf of the Board of Directors of**

Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.)

Sarwan Kumar Prajapati

Partner

Membership No: 199969

Sarvabhoutan Doraiswamy Srinivasan

Group Chief Financial Officer

Place: Mumbai

Date: 26 June 2024

Place: Bengaluru

Date: 26 June 2024