

Sagility Provider Solutions LLC (formerly known as HGS EBOS, LLC)**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	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	13.25	23.94
Right-of-use assets	5	7.73	18.66
Other intangible assets	6	-	0.09
Financial assets			
- Other financial assets	7	0.90	0.88
Other non-current assets	8	-	3.90
Total Non-current assets		21.88	47.47
Current assets			
Financial assets			
- Trade receivables	9	1,101.34	961.43
- Cash and cash equivalents	10	469.64	1,181.18
- Other financial assets	7	2,031.32	-
Other current assets	11	18.19	10.72
Total Current assets		3,620.49	2,153.33
Total Assets		3,642.37	2,200.80
EQUITY AND LIABILITIES			
Equity			
Other equity			
a) Retained Earnings	12	1,100.70	483.66
b) Exchange difference on translation of financial statements of foreign operations	12	27.44	14.80
c) Other components of equity	12	248.93	73.09
Total Equity		1,377.07	571.55
Liabilities			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	13	-	8.21
Total Non-current liabilities		-	8.21
Current liabilities			
Financial liabilities			
- Lease liabilities	13	8.34	11.25
- Trade payables	14	-	-
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		1,841.67	1,538.72
- Other financial liabilities	15	402.18	54.82
Contract liabilities	16	-	3.84
Other current liabilities	17	3.18	1.71
Provision for employee benefit obligations	18	9.93	10.70
Total Current liabilities		2,265.30	1,621.04
Total Liabilities		2,265.30	1,629.25
Total Equity and Liabilities		3,642.37	2,200.80

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 Provider Solutions LLC (formerly known as HGS EBOS, LLC)****Sarwan Kumar prajapati**

Partner

Membership No: 199969

Sarvabhouman Doraiswamy Srinivasan

Group Chief Financial Officer

Place: Mumbai

Date: 26 June 2024

Place: Bengaluru

Date: 26 June 2024

Sagility Provider Solutions LLC (formerly known as HGS EBOS, LLC)
Special Purpose Statement of Profit and Loss for the year ended 31 March 2024
(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	19	4,558.65	3,853.82
Other income	20	51.33	0.06
Total income		4,609.98	3,853.88
Expenses			
Employee benefits expense	21	332.65	311.02
Other expenses	24	3,461.52	3,078.76
Total expenses		3,794.17	3,389.78
Earnings before interest expense, taxes, depreciation and amortisation		815.81	464.10
Finance costs	22	0.66	1.17
Depreciation and amortisation expenses	23	22.27	24.54
Profit before tax		792.88	438.39
Tax expense:	25		
Current tax		153.99	104.12
Deferred tax		21.85	(3.03)
Total tax expense		175.84	101.09
Profit for the year		617.04	337.30
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		12.64	13.63
Other comprehensive income for the year, net of tax		12.64	13.63
Total comprehensive income for the year		629.68	350.93

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Sarvabhoutan Doraiswamy Srinivasan
Group Chief Financial Officer

Place: Mumbai
Date: 26 June 2024

Place: Bengaluru
Date: 26 June 2024

Sagility Provider Solutions LLC (formerly known as HGS EBOS, LLC)
Special Purpose Statement of Cash Flows for the year ended 31 March 2024
(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities		
Profit before tax for the year	792.88	438.39
Adjustments for:		
Depreciation and amortization expense	22.27	24.54
Finance costs	0.66	1.17
Provision for / (reversal of) expected credit loss	-	53.02
Operating profit before working capital adjustments	815.81	517.12
Working capital adjustments:		
Trade receivables	(116.87)	(323.87)
Non-current financial assets	-	(0.88)
Other non-current assets	3.90	5.58
Current financial assets	(2,031.32)	0.89
Other current assets	(7.27)	9.03
Trade payables	277.95	361.57
Provision for employee benefit obligations	(0.77)	3.55
Other current financial liabilities	346.86	48.79
Other current liabilities	(2.41)	4.95
Cash flows generated from operating activities	(714.12)	626.73
Income taxes paid (net of refunds)	(0.06)	-
Net cash flows generated from operating activities (A)	(714.18)	626.73
Cash flows from investing activities		
Acquisition of property, plant and equipment and other intangible assets	-	(0.27)
Net cash flows used in investing activities (B)	-	(0.27)
Cash flows from financing activities		
Repayment of lease liabilities	(11.36)	(10.32)
Interest on repayment of lease liabilities	(0.66)	(1.17)
Net cash flows used in financing activities (C)	(12.02)	(11.49)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(726.20)	614.97
Cash and cash equivalents at the beginning of the year	1,181.18	518.37
Effect of movement in exchange rates on cash and cash equivalents	14.66	47.84
Cash and cash equivalents at the end of the year	469.64	1,181.18
Cash and cash equivalents comprises of:		
Cash and bank balances (refer note 10)	469.64	1,181.18
	469.64	1,181.18

Refer note 13 for supplementary information on cash flow movements.

Note:

The above 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.

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Group Chief Financial Officer

Place: Mumbai
Date: 26 June 2024

Place: Bengaluru
Date: 26 June 2024

Sagility Provider Solutions LLC (formerly known as HGS EBOS, LLC)
Special Purpose Statement of Changes in Equity for the year ended 31 March 2024
(All amounts are in Indian Rupees millions, unless otherwise stated)

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	483.66	73.09	14.80	571.55
Profit for the year	617.04	-	-	617.04
Other comprehensive income / (loss), net of tax	-	-	12.64	12.64
Total comprehensive income for the year	617.04	-	12.64	629.68
Transactions with owners in their capacity as owners:				
Movement during the year	-	175.84	-	175.84
Balance as at 31 March 2024	1,100.70	248.93	27.44	1,377.07
Balance as at 01 April 2022	146.36	(28.00)	1.17	119.53
Profit for the year	337.30	-	-	337.30
Other comprehensive income / (loss), net of tax	-	-	13.63	13.63
Total comprehensive income for the year	337.30	-	13.63	350.93
Transactions with owners in their capacity as owners				
Movement during the year	-	101.09	-	101.09
Balance as at 31 March 2023	483.66	73.09	14.80	571.55

* 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 Group 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.

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Place: Mumbai
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1 Corporate information

Sagility Provider Solutions LLC was incorporated as a Delaware Limited Liability Company and bears the US Tax ID – 46-1061511 . Its registered office is c/o its registered agent Cogency Global Inc., 850, New Burton Road, Suite 201, Dover, DE – 19904 and its corporate office is situated at 11000 Westmoor Circle, Suite 125, Westminster, CO 80021

Sagility Provider Solutions LLC provides comprehensive business process management (BPM) services including tech enabled solutions across the payers and providers in the US Healthcare industry. The provider value chain includes end-to-end Revenue Cycle Management, integrating patient access, A/R management, and clinical services with licensed professionals.

The Ultimate Holding Company of Sagility Provider 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 financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) (hereafter referred to as "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 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 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.

2.1 Statement of Compliance (continued)

Basis of measurement

These financial statements have been prepared on a historical cost convention on an accrual basis of accounting

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 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 consolidated 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 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 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 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 financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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 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 consolidated 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 consolidated 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:

Asset category	(in years)	
	Useful life as per Companies Act, 2013	Useful Life estimated by the management
Computers*	3	6
Furniture and fittings	10	10

*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.

3.1 Property, plant and equipment (continued)

Leasehold improvements are depreciated over the shorter of their useful live or the lease term, unless the Company expects to use the assets beyond the lease term.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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 consolidated statement of profit and loss.

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3.2 Intangible assets

Amortisation methods and periods

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives of the intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

The Company amortises intangible assets with a finite useful life over the following periods:

Asset category	Useful Life (in years)
Computer Software	5 - 7

Subsequent Measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in consolidated statement of profit and loss as incurred.

Derecognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognized.

3.3 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,
- (iii) amounts expected to be payable under a residual value
- (iv) the exercise price under a purchase option that the
- (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 consolidated 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.

3.4 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 consolidated 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 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 consolidated statement of profit and loss as part of the profit and loss on disposal.

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3.5 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

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 consolidated 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 consolidated 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 consolidated statement of profit and loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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

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3.5 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 consolidated statement of profit and loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of 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 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 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

3.6 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.

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3.6 Impairment (continued)

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

- 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 consolidated statement of profit and loss.

3.7 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 consolidated 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 consolidated 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.

3.8 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 financial statements unless the possibility of an outflow of economic resources is remote.

3.9 Revenue recognition

Revenue from contracts with customers

The Company earns revenue primarily from rendering business process management services to related parties.

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

Revenue from operations include revenue from providing comprehensive business process management (BPM) services including tech enabled solutions across the payers and providers in the US Healthcare industry. The provider value chain includes end-to-end Revenue Cycle Management, integrating patient access, A/R management, and clinical services with licensed professionals.

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.

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3.1 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 consolidated 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 consolidated 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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4 Property, plant and equipment

Particulars	Leasehold improvements	Computers	Furniture and fixtures	Total
Balance as at 01 April 2022	0.93	30.58	3.59	35.10
Additions	-	0.27	-	0.27
Effect of movements in exchange rates	0.08	2.50	0.29	2.87
Balance as at 31 March 2023	1.01	33.35	3.88	38.24
Effect of movements in exchange rates	0.02	0.51	0.03	0.56
Balance as at 31 March 2024	1.03	33.86	3.91	38.80
Balance as at 01 April 2022	0.05	2.25	0.22	2.52
Charge for the year	0.24	10.22	1.01	11.47
Effect of movements in exchange rates	0.01	0.27	0.03	0.31
Balance as at 31 March 2023	0.30	12.74	1.26	14.30
Charge for the year	0.24	9.74	1.03	11.01
Effect of movements in exchange rates	0.01	0.22	0.01	0.24
Balance as at 31 March 2024	0.55	22.70	2.30	25.55
Net block as at 31 March 2024	0.48	11.16	1.61	13.25
Net block as at 31 March 2023	0.71	20.61	2.62	23.94

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5 Right-of-use assets

Particulars	Buildings	Total
Cost		
Balance as at 01 April 2022	29.81	29.81
Effect of movements in exchange rates	2.44	2.44
Balance as at 31 March 2023	32.25	32.25
Effect of movements in exchange rates	0.50	0.50
Balance as at 31 March 2024	32.75	32.75
Balance as at 01 April 2022	2.37	2.37
Charge for the year	10.92	10.92
Effect of movements in exchange rates	0.30	0.30
Balance as at 31 March 2023	13.59	13.59
Charge for the year	11.17	11.17
Effect of movements in exchange rates	0.26	0.26
Balance as at 31 March 2024	25.02	25.02
Net block as at 31 March 2024	7.73	7.73
Net block as at 31 March 2023	18.66	18.66

Note:

1 The Company leases buildings to conduct its business in the ordinary course. The leases typically run for a period of 2 to 10 years.

2 Amounts recognised in the special purpose statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Depreciation charge of Right-of-use assets		
- Building	11.17	10.92
(b) Interest expense (included in finance costs)	0.66	1.17
(c) Expenses relating to short-term leases (included in other expenses)	1.23	(0.01)
	13.06	12.08

3 The total cash outflows for leases, including short-term leases amounted to Rs. 13.25 million and Rs. 11.48 million for the years 31 March 2024 and 31 March 2023 respectively.

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6 Other intangible assets

Particulars	Software and Technology	Total
Balance as at 01 April 2022	2.71	2.71
Effect of movements in exchange rates	0.22	0.22
Balance as at 31 March 2023	2.93	2.93
Effect of movements in exchange rates	0.05	0.05
Balance as at 31 March 2024	2.98	2.98
Accumulated amortization		
Balance as at 01 April 2022	0.62	0.62
Charge for the year	2.16	2.16
Effect of movements in exchange rates	0.06	0.06
Balance as at 31 March 2023	2.84	2.84
Charge for the year	0.09	0.09
Effect of movements in exchange rates	0.05	0.05
Balance as at 31 March 2024	2.98	2.98
Net block as at 31 March 2024	-	-
Net block as at 31 March 2023	0.09	0.09

Note**Remaining useful life of other intangible assets (in years)**

Particulars	As at 31 March 2024	As at 31 March 2023
Software and Technology	5	6

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7 Other financial assets

Particulars	As at	As at
	31 March 2024	31 March 2023
Non-current		
Unsecured, considered good		
lease deposits	0.90	0.88
	0.90	0.88
Current		
Unsecured, considered good		
Advance given to related parties *	2,031.32	-
	2,031.32	-

* For transactions with related parties - Refer note 27

8 Other assets (non-current)

Particulars	As at	As at
	31 March 2024	31 March 2023
Prepaid expenses	-	3.90
	-	3.90

9 Trade receivables

Particulars	As at	As at
	31 March 2024	31 March 2023
Trade receivables from contracts with customers - billed	1,101.34	961.43
	1,101.34	961.43

Particulars	As at	As at
	31 March 2024	31 March 2023
Unsecured, considered good		
Trade receivables	1,101.34	961.43
Significant increase in credit risk		
Trade receivables	-	53.02
Allowance for doubtful receivables	-	(53.02)
	1,101.34	961.43

10 Cash and cash equivalents

Particulars	As at	As at
	31 March 2024	31 March 2023
Balances with banks		
- in current accounts	469.64	1,181.18
	469.64	1,181.18

11 Other assets (current)

Particulars	As at	As at
	31 March 2024	31 March 2023
Advances to suppliers	7.25	0.21
Advances to employees	5.93	2.40
Prepaid expenses	5.01	8.11
	18.19	10.72

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12 Other Equity

Particulars	As at	
	31 March 2024	31 March 2023
(i) Exchange difference on translation of financial statements of foreign operations		
Balance at the beginning of the year	14.80	1.17
Add: Movement during the year	12.64	13.63
Balance at the end of the year	27.44	14.80
(ii) Retained earnings		
Balance at the beginning of the year	483.66	146.36
Add: Profit for the year	617.04	337.30
Balance at the end of the year	1,100.70	483.66
(iii) Other component of equity		
Balance at the beginning of the year	73.09	(28.00)
Add: Movement during the year	175.84	101.09
Balance at the end of the year	248.93	73.09
Total	1,377.07	571.55

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 consolidated statement of profit and loss as part of the profit or loss on disposal.

(i) 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 Group 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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13 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Carried at amortised cost		
Non-current		
Lease liabilities	-	8.21
Current		
Lease liabilities	8.34	11.25
Total	8.34	19.46

A. Cash and non-cash changes in liabilities arising from financing activities:

Particulars	Liabilities from financing activities	Total
	Lease liabilities	
As at 31 March 2022	(27.61)	(27.61)
Cash outflows	10.32	10.32
Interest paid	1.17	1.17
Non-cash changes		
Effect of movements in exchange rates	(2.17)	(2.17)
Interest expense	(1.17)	(1.17)
As at 31 March 2023	(19.46)	(19.46)
As at 01 April 2023	(19.46)	(19.46)
Cash outflows	11.36	11.36
Interest paid	0.66	0.66
Non-cash changes		
Effect of movements in exchange rates	(0.24)	(0.24)
Interest expense	(0.66)	(0.66)
As at 31 March 2024	(8.34)	(8.34)

14 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises *	1,841.67	1,538.72
	1,841.67	1,538.72

* For transactions with related parties - Refer note 27

15 Other financial liabilities (current)

Particulars	As at 31 March 2024	As at 31 March 2023
Employee benefits payable	65.11	18.02
Advance received from related parties *	337.07	36.80
	402.18	54.82

* For transactions with related parties - Refer note 27

16 Contract liabilities

Particulars	As at	As at
	31 March 2024	31 March 2023
Contract liabilities	-	3.84
	-	3.84

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in each of the reporting periods relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

Particulars	As at	As at
	31 March 2024	31 March 2023
Movement in contract liabilities:		
Opening balance	3.84	-
Revenue recognised that was included in the contract liability balance at the beginning of the year	(3.84)	-
Increases due to invoicing during the year, excluding amounts recognised as revenue during the year	-	3.84
Closing balance	-	3.84

17 Other liabilities (current)

Particulars	As at	As at
	31 March 2024	31 March 2023
Statutory dues	3.18	1.71
	3.18	1.71

18 Provision for employee benefit obligations**Current**

Particulars	As at	As at
	31 March 2024	31 March 2023
Provision for employee benefits (refer note 28)		
- Compensated absences	9.93	10.70
	9.93	10.70

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19 **Revenue from operations**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contracts with customers		
Revenue from sale of services	4,558.65	3,853.82
Total	4,558.65	3,853.82

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 year ended 31 March 2024	For the year ended 31 March 2023
Major service line		
Business process management services	4,558.65	3,853.82
	4,558.65	3,853.82

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue recognized over time	4,558.65	3,853.82
	4,558.65	3,853.82

C) **Recognition of revenue as per customer category**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Customer category		
Provider	4,558.65	3,853.82
	4,558.65	3,853.82

D) **Reconciliation of revenue recognised with contract price**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract price	4,686.64	3,853.82
Adjustments for:		
Reduction towards variable consideration components such as penalty, cash and volume discount	127.99	-
Revenue from contracts with customers	4,558.65	3,853.82

- E) The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as revenue and an explanation as to when the Company expects to recognize these amounts in revenue. Unsatisfied or partially satisfied Performance obligations are subject to variability due to several factors such as termination, changes in contract scope, re-validation of estimates and economic factors. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time & material or unit price basis.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2024 is Rs. Nil (31 March 2023: Rs. 3.84 million).

The Company expects to complete 100% (31 March 2023 : 100%) of the related undelivered services within 1 year (31 March 2023 : 1 year) and recognise the related revenue.

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20	Other income		
	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Other non-operating income		
	Reversal of earlier years provision of expected credit loss	51.33	-
	Miscellaneous income	-	0.06
		51.33	0.06
21	Employee benefits expense		
	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Salaries, bonus and allowances	285.53	243.97
	Contribution to provident and other funds (refer note 28)	3.48	3.13
	Compensated absences	14.36	16.68
	Staff welfare expenses	29.28	47.24
		332.65	311.02
22	Finance costs		
	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Interest expense on financial liabilities carried at amortized cost		
	- Lease liabilities	0.66	1.17
		0.66	1.17
23	Depreciation and amortisation expenses		
	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Depreciation on property, plant and equipment (refer note 4)	11.01	11.46
	Depreciation on right of use assets (refer note 5)	11.17	10.92
	Amortisation on other intangible assets (refer note 7)	0.09	2.16
		22.27	24.54

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24 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Legal and professional fees	7.62	8.59
Software subscription charges	9.50	12.82
Travelling and conveyance	10.19	2.64
Communication expenses	3.67	2.81
Power and fuel	0.72	0.85
Marketing expenses	3.15	0.12
Housekeeping charges	-	0.48
Recruitment expenses	0.22	0.48
Rent*	1.23	(0.01)
Sub-contracting expenses (refer note 27)	3,392.81	2,951.75
Repairs and maintenance		
-computers	1.49	1.04
-building	6.32	8.36
Postage and courier	10.17	14.26
(Reversal)/Provision of expected credit loss	-	53.02
Miscellaneous expenses	14.43	21.55
	3,461.52	3,078.76

*Represent lease rentals for short term leases.

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25 Income tax

The major components of income tax expense for the year ended 31 March 2024 and 31 March 2023 are:

Special Purpose Statement of profit and loss section

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Tax expense:		
Current tax	153.99	104.12
Deferred tax	21.85	(3.03)
Income tax expense reported in the special purpose statement of profit and loss for the year	175.84	101.09

The Company has estimated tax liability and deferred tax expense/(credit) based on the estimated effective tax rate applicable to its intermediate holding company i.e. Sagility US (Holdings) Inc which files consolidated tax return of the USA group entities.

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	792.88	438.39
Expected tax expense at the enacted tax rate of 21.00% in India	166.50	92.06
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Others	9.34	9.03
Net tax expense	175.84	101.09

25 Deferred taxes**(a) Deferred tax assets/ (liabilities) shown as part of other component of equity as at 31 March 2024 in relation to:**

Particulars	As at 31 March 2023	Recognised in Statement of profit and loss	Effect of movements in exchange rates	As at 31 March 2024
Property, plant and equipment and intangible assets	45.72	(7.97)	0.66	38.41
Leases	0.21	0.13	0.00	0.34
Provision for Impairment of Trade Receivable	13.87	(14.01)	0.15	0.00
Total deferred tax assets/ (liabilities) (net)	59.79	(21.85)	0.81	38.76

(b) Deferred tax assets/ (liabilities) shown as part of other component of equity as at 31 March 2023 in relation to:

Particulars	As at 01 April 2022	Recognised in Statement of profit and loss	Effect of movements in exchange rates	As at 31 March 2023
Property, plant and equipment and intangible assets	49.96	(8.26)	4.02	45.72
Provision for employee benefits	2.43	(2.61)	0.18	-
Leases	0.05	0.16	0.01	0.21
Provision for Impairment of Trade Receivable	-	13.74	0.12	13.87
Total deferred tax assets/ (liabilities) (net)	52.44	3.03	4.32	59.79

* The intermediate holding company of the company i.e. Sagility US (Holdings) Inc is filing its consolidated tax return of the US Group 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.

26 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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27 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.)

(iv) Immediate Holding company

Sagility Operations Inc.(formerly known as HGS Healthcare Operations Inc.)

(v) Fellow Subsidiaries

- a) Sagility Philippines B.V. – Philippine Branch (formerly known as Betaine (PH) B.V. – Philippine Branch)
- b) Sagility LLC (formerly known as HGS Healthcare, LLC)
- c) Sagility Technologies LLC(formerly known as HGS Colibrium, LLC)
- d) Sagility Care Management LLC (formerly known as HGS Axispoint Health, LLC)
- e) Sagility (Colombia) SAS
- f) Sagility Payment Integrity Solutions LLC (formerly known as Devlin Consulting Inc.)

(vi) Key managerial personnel

Sarvabhoman Doraiswamy Srinivasan

Designation

Group Chief Financial Officer

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27 Related party disclosures (continued)**(i) The following transactions were carried out with related parties during the year in the ordinary course of business:**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sub-contracting expenses		
Sagility India Private Limited	2,209.89	2,144.52
Sagility Philippines B.V. - Philippines Branch	1,182.90	807.23

(ii) Balances outstanding at year end:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables		
Sagility India Private Limited	1,266.44	1,231.94
Sagility Philippines B.V. - Philippines Branch	526.58	271.78
Advance given		
Sagility (US) Holdings Inc	0.08	-
Sagility (US) Inc	33.35	-
Sagility LLC	1,974.96	-
Sagility Operations Inc	22.93	-
Advance received		
Sagility LLC	337.07	34.59
Sagility Operations Inc	36.70	2.21

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28 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 consolidated statement of profit and loss during the year in which the employee renders the related service. There are no further obligations other than the contributions payable to the 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 year ended 31 March 2024	For the year ended 31 March 2023
Contribution to provident fund and other funds	3.48	3.13

b) Compensated absences:

The leave obligation covered Company's liability towards compensated absences.

The entire amount of the provision of Rs. 9.93 millions (31 March 2023 : Rs. 10.70 millions) for compensated absences is presented as a current liability, as the Company does not have an unconditional right to defer its settlement beyond 12 months from the reporting date.

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29 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								
Security deposits	-	-	0.90	0.90	-	-	-	-
Trade and other receivables	-	-	1,101.34	1,101.34	-	-	-	-
Cash and cash equivalents	-	-	469.64	469.64	-	-	-	-
Total	-	-	3,603.20	3,603.20	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	-	-	1,841.67	1,841.67	-	-	-	-
Lease liability (current and non-current)	-	-	8.34	8.34	-	-	-	-
Other financial liabilities	-	-	402.18	402.18	-	-	-	-
Total	-	-	2,252.19	2,252.19	-	-	-	-

As at 31 March 2023

Particulars	Carrying amount				Fair value			Total
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	
Financial assets not measured at fair value								
Security deposits	-	-	0.88	0.88	-	-	-	-
Trade and other receivables	-	-	961.43	961.43	-	-	-	-
Cash and cash equivalents	-	-	1,181.18	1,181.18	-	-	-	-
Total	-	-	2,143.49	2,143.49	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	-	-	1,538.72	1,538.72	-	-	-	-
Lease liability (current and non-current)	-	-	19.46	19.46	-	-	-	-
Other financial liabilities	-	-	54.83	54.83	-	-	-	-
Total	-	-	1,613.01	1,613.01	-	-	-	-

The fair value of cash and cash equivalents, trade and other receivables (including unbilled receivables), trade payables, other financial assets and liabilities approximate the carrying amount thereof as at 31 March 2024 and 31 March 2023, largely due to the short-term nature of these instruments.

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30 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.

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.

Refer table below for movement in the provision for expected credit losses:

Particulars	As at	As at
	31 March 2024	31 March 2023
Balance at the beginning of the year	53.02	-
Charge for the year	-	53.02
(Reversal) for the year	(53.02)	-
Balance at the end of the year	-	53.02

(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.

30 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	1,841.67	1,841.67	1,841.67	-	-
Lease liability - Current and non-current	8.34	8.46	8.46	-	-
Other financial liabilities	402.18	402.18	402.18	-	-
	2,252.19	2,252.31	2,252.31	-	-
As at 31 March 2023					
Trade payables	1,538.72	1,538.72	1,538.72	-	-
Lease liability - Current and non-current	19.46	20.24	11.90	8.33	-
Other financial liabilities	54.83	54.83	54.83	-	-
	1,613.01	1,613.79	1,605.45	8.33	-

As of 31 March 2024, the Company had a working capital of Rs. 1,355.20 million (31 March 2023: Rs. 532.29 million) including cash and cash equivalents of Rs. 469.64 million (31 March 2023: Rs. 1,181.88 million) and receivables of Rs. 3,169.37 million (31 March 2023: Rs. 961.43 million).

(d) Market risk

Market risk is the risk that changes in market prices which is mainly foreign exchange rates affect the Companies' 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.

30 Financial instruments - risk management (continued)

ii) Interest rate risk

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

31 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	31 March 2023
Total borrowings including lease liabilities	8.34	19.46
Less: Cash and cash equivalents	(469.64)	(1,181.18)
Adjusted net debt	(461.30)	(1,161.72)
Total equity	1,377.07	571.55
Adjusted equity	1,377.07	571.55
Adjusted net debt to adjusted equity ratio	(0.33)	(2.03)

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32 Contingent Liabilities

There are no contingent liabilities as at 31 March 2024 and 31 March 2023.

33 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 (31 March 2023 : Rs Nil).

34 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.

35 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 Provider Solutions LLC (formerly known as HGS EBOS, LLC)

Sarwan Kumar prajapati
Partner
Membership No: 199969

Sarvabhoulman Doraiswamy Srinivasan
Group Chief Financial Officer

Place: Mumbai
Date: 26 June 2024

Place: Bengaluru
Date: 26 June 2024