

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of Medi Assist Insurance TPA Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Medi Assist Insurance TPA Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2019, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

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Independent Auditors' Report (continued)

Management's Responsibility for the Audit of the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

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Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

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Medi Assist Insurance TPA Private Limited

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

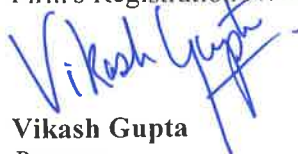
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 24 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022


Vikash Gupta

Partner

Membership Number: 064597

Place: Bengaluru

Date: 29 May 2019

Medi Assist Insurance TPA Private Limited

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of Medi Assist Insurance TPA Private Limited ('the Company') on financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which its property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were physically verified during the year and no material discrepancies were noted.
- (c) According to the information and explanations given to us, the Company does not have any immovable property.
- (ii) The Company is a service company, primarily rendering Third Party Administration and related services. Accordingly, it does not hold any physical inventories.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) According to the information and explanations given to us, the Company has not granted loans, investments, guarantees, and security to companies, firms or other parties and section 185 and 186 of the Act is not applicable to the Company.
- (v) The Company has not accepted any deposits.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax dues, Goods and Service tax, Cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Customs duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax dues, Goods and Service tax, Cess and other statutory dues were in arrears, as at 31 March 2019, for a period of more than six months from the date they became payable.

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Annexure A to the Independent Auditors' Report of Medi Assist Insurance TPA Private Limited (continued)

- (b) According to the information and explanations given to us, there are no disputed amounts payable in respect of Service tax or Goods and Service Tax. The following dues of Income tax are being disputed by the Company:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which the amount relates (Assessment year)	Forum where dispute is Pending
Income Tax Act, 1961	Tax deducted at source on professional fees	55.02	55.02	2003-04 to 2009-10	High Court, Karnataka
Income Tax Act, 1961	Income tax and interest thereon	25.92	25.92	2011-12	Commissioner of Income Taxes (Appeals), Bangalore

- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government, or debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of Section 192 of the Act.

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Annexure A to the Independent Auditors' Report of Medi Assist Insurance TPA Private Limited (continued)

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022



Vikash Gupta

Partner

Membership Number: 064597

Place: Bengaluru

Date: 29 May 2019

B S R & Co. LLP

Medi Assist Insurance TPA Private Limited

Annexure B to the Independent Auditors' report of even date on the financial statements of Medi Assist Insurance TPA Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

We have audited the internal financial controls with reference to financial statements of Medi Assist Insurance TPA Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to a "Act").

Auditors' Responsibility

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

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

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Medi Assist Insurance TPA Private Limited

Annexure B to the Independent Auditors' report on the financial statements of Medi Assist Insurance TPA Private Limited for the year ended 31 March 2019 (continued)

Auditors' Responsibility (continued)

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

Meaning of Internal Financial controls with Reference to the Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to the Financial Statements

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

for B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248 W/W-100022



Vikash Gupta

Partner

Membership Number: 064597

Place: Bengaluru

Date: 29 May 2019

Medi Assist Insurance TPA Private Limited
Balance Sheet

(Rs in millions)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	172.97	125.18
Goodwill	5	217.63	175.22
Other intangible assets	6	244.15	254.16
Financial assets			
Loans receivables	7 (a)	31.93	23.81
Others financial assets	7 (b)	0.42	55.32
Other non-current assets	8	502.83	342.78
Total non-current assets		1,169.93	976.47
Current assets			
Financial assets			
Investments	9		
Trade receivables	9 (a)	704.17	648.83
Unbilled receivables (31 March 2018: Unbilled revenue)	9 (b)	656.50	736.65
Cash and cash equivalents		691.66	648.80
Bank balances other than cash and cash equivalents	9 (c)	87.81	63.33
Loans receivables	9 (d)	25.70	6.01
Other financial assets	9 (e)	10.71	20.01
Other current assets	9 (f)	29.27	16.63
	10	71.86	106.59
Total current assets		2,277.68	2,246.85
Total Assets		3,447.61	3,223.32
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	40.12	40.12
Other equity	12	1,805.45	1,626.13
Total equity		1,845.57	1,666.25
LIABILITIES			
Non-current liabilities			
Provisions	13	49.06	32.35
Deferred tax liabilities (net)	14	31.21	11.09
Total non-current liabilities		80.27	43.44
Current liabilities			
Financial liabilities			
Trade payables:	15		
total outstanding dues to micro enterprises and small enterprises	15 (a)		
total outstanding dues to creditors other than micro enterprises and small enterprises		226.01	275.11
Other financial liabilities	15 (b)	192.57	270.66
Contract liability		984.23	799.61
Other current liabilities	16	100.50	142.88
Provisions	17	18.46	25.37
Total current liabilities		1,521.77	1,513.63
Total liabilities		1,602.04	1,557.07
Total Equity and Liabilities		3,447.61	3,223.32

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

for **BSR & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022


Vikash Gupta
Partner

Membership Number: 064597

Place: Bengaluru
Date: 29 May 2019

for and on behalf of the Board of Directors of
Medi Assist Insurance TPA Private Limited
CIN: U85199KA1999PTC025676


Dr. Vijram Jit Singh Chhatwal
Whole-time Director
DIN: 01606329

Place: Bengaluru
Date: 29 May 2019


Satish Venkata Naga Gidugu
Director
DIN : 06643677

Place: Bengaluru
Date: 29 May 2019


Suchitra Krishnakumar
Company Secretary
Membership Number: A29245

Place: Bengaluru
Date: 29 May 2019



Medi Assist Insurance TPA Private Limited

Statement of Profit and Loss

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

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	18	2,796.60	2,601.63
Other income	19	38.95	51.90
Total income		2,835.55	2,653.53
Expenses			
Employee benefits	20	957.97	794.86
Other expenses	23	1,433.51	1,362.73
Total expenses		2,391.48	2,157.59
Earnings before interest, tax, depreciation and amortisation (EBITDA)		444.07	495.94
Finance costs	21	1.65	0.65
Depreciation and amortisation	22	81.71	64.02
Total expenses		2,474.84	2,222.26
Profit before tax for the year		360.71	431.27
Income tax expense:			
Current tax	30	90.08	113.05
Deferred tax charge	29	22.83	16.94
		112.91	129.99
Profit after tax for the year		247.80	301.28
Other comprehensive income			
Items that will not be reclassified to statement of the profit and loss			
Re-measurement of defined benefit (assets)/ liabilities		(9.30)	(1.62)
Income tax relating to items that will not be reclassified to statement of profit and loss		2.71	0.56
Total other comprehensive income for the year, net of income tax		(6.59)	(1.06)
Total comprehensive income for the year		241.21	300.22
Earnings per share	25		
Basic		61.76	75.09
Diluted		60.46	74.03

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022


Vikash Gupta
Partner

Membership Number: 064597

Place: Bengaluru

Date: 29 May 2019

for and on behalf of the Board of Directors of
Medi Assist Insurance TPA Private Limited
CIN: U85199KA1999PTC025676


Dr. Vikram Jit Singh Chhatwal
Whole-time Director
DIN: 01606329

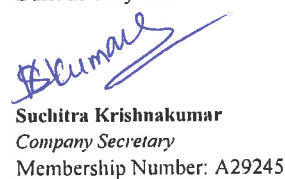
Place: Bengaluru

Date: 29 May 2019


Satish Venkata Naga Gidugu
Director
DIN : 06643677

Place: Bengaluru

Date: 29 May 2019


Suchitra Krishnakumar
Company Secretary
Membership Number: A29245

Place: Bengaluru

Date: 29 May 2019



Medi Assist Insurance TPA Private Limited
Statement of Changes in Equity

A. Equity share capital

(Rs in millions)		
Particulars	As at 31 March 2019	As at 31 March 2018
At the commencement of the year	40.12	40.12
Issued during the year	-	-
At the end of the year	40.12	40.12

B. Other equity

Particulars	Reserves and surplus		Item of Other Comprehensive Income	Total
	Employee stock option outstanding	Retained earnings	Re-measurement of defined benefit (assets)/ liabilities	
Balance as at 1 April 2017	20.13	1,292.81	(0.18)	1,312.76
Profit after tax for the year	-	301.28	-	301.28
Other Comprehensive Income, net of income tax	-	-	(1.06)	(1.06)
Total Comprehensive Income for the year	-	301.28	(1.06)	300.22
Transactions recorded directly in equity				
Share based payment	13.15	-	-	13.15
Balance as at 31 March 2018	33.28	1,594.09	(1.24)	1,626.13
Balance as at 1 April 2018	33.28	1,594.09	(1.24)	1,626.13
Profit after tax for the year	-	247.80	-	247.80
Other Comprehensive Income, net of income tax	-	-	(6.59)	(6.59)
Total Comprehensive Income for the year	-	247.80	(6.59)	241.21
Transactions recorded directly in equity				
Share based payment	15.33	-	-	15.33
Cash settlement of vested Employee Stock Option contracts *	(27.04)	(50.18)	-	(77.22)
Balance as at 31 March 2019	21.57	1,791.71	(7.83)	1,805.45

* Refer Note 27

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

for BSR & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

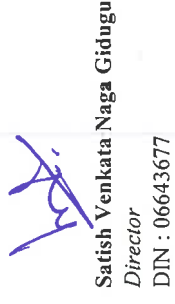

Vikash Gupta
Partner
Membership Number: 064597

Place: Bengaluru
Date: 29 May 2019

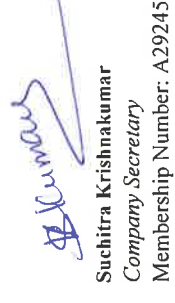
for and on behalf of the Board of Directors of
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Company Secretary
Membership Number: A29245

Place: Bengaluru
Date: 29 May 2019



Medi Assist Insurance TPA Private Limited
Statement of Cash Flows

	(Rs in millions)	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities		
Profit before tax	360.71	431.27
Adjustments:		
Depreciation and amortization	81.71	64.02
Allowance for expected credit losses	-	15.34
Employee stock option compensation cost	4.11	3.92
Finance costs	1.65	0.65
Sundry balances written back	-	(4.74)
Profit on sale of mutual fund investments	(12.35)	(19.00)
Interest income	(3.81)	(13.40)
Net (gain)/ loss on financial assets measured at fair value through profit and loss	(20.37)	0.22
Dividend received	(2.38)	(14.64)
Operating cash flows before working capital changes	409.27	463.64
Working capital movements:		
(Decrease) / Increase in trade payables	(49.10)	73.23
Increase in other liabilities	58.39	23.68
Increase in provisions	2.13	2.76
Decrease / (Increase) in trade receivables	80.15	(217.28)
(Increase) in other assets	(30.81)	(15.85)
Cash generated from operations	470.03	330.18
Income taxes paid, net	(265.18)	(130.77)
Net cash flows generated from operating activities (A)	204.85	199.41
Cash flows from investing activities		
Purchase of property, plant and equipment including capital advances	(77.78)	(102.77)
Proceeds from sale of property, plant and equipment	0.07	-
Purchase of current investments (net)	(22.62)	(192.63)
Acquisition of business	(109.00)	-
Maturity proceeds of fixed deposit	32.83	30.18
Dividend received	2.38	14.64
Interest received	1.22	5.21
Net cash used in investing activities (B)	(172.90)	(245.37)
Cash flows from financing activities		
Finance costs paid	(1.26)	(0.65)
Net cash used in financing activities (C)	(1.26)	(0.65)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	30.69	(46.61)
Cash and cash equivalents at the beginning of the year	49.68	96.29
Cash and cash equivalents at the end of the year (refer note 9 (c))	80.37	49.68
Component of cash and cash equivalents		
Balances with banks		
- In current accounts	80.21	49.37
Cash on hand	0.16	0.31
Total cash and cash equivalents	80.37	49.68

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

The notes referred to above form an integral part of the cash flow statement.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants

Firm's Registration Number: 101248W/W-100022


Vikash Gupta
Partner

Membership Number: 064597

Place: Bengaluru
Date: 29 May 2019

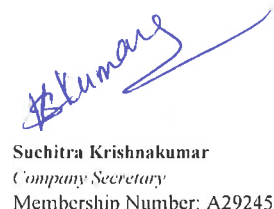
for and on behalf of the Board of Directors
Medi Assist Insurance TPA Private Limited
CIN: U85199KA1999PTC025676


Dr. Vikram Jit Singh Chhatwal
Whole-time Director
DIN: 01606329

Place: Bengaluru
Date: 29 May 2019


Satish Venkata Naga Gidugu
Director
DIN : 06643677

Place: Bengaluru
Date: 29 May 2019


Suchitra Krishnakumar
Company Secretary
Membership Number: A29245

Place: Bengaluru
Date: 29 May 2019



1 Company overview

Medi Assist Insurance TPA Private Limited ("the Company") holds a license from the Insurance Regulatory and Development Authority (IRDA) to function as a Third Party Administrator (TPA). The Company has signed up contracts with several general insurance companies and government agencies. The Company's income is primarily derived in the form of TPA fees raised on the insurance companies expressed as a percentage on the Insurance Premium / fixed price per member / family paid by the insured to the insurance company. The Company also derives income from pre-policy check-up and card processing carried out for insurance companies. The Company is Deemed Public Company in accordance with section 2 (71) of the Act.

2 Basis of accounting and preparation

I 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 notified under Section 133 of Companies Act, 2013, (the 'Act') 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 2019. These financial statements were authorised for issuance by the Company's Board of Directors on 29 May 2019.

II Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is also the functional currency of the Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated.

III Basis of measurement

The financial statement have been prepared on a historical cost convention on the accrual basis, except for the following:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Share based payment transactions	Fair value
Defined benefit and other long-term employee benefits obligations	Present value of defined benefit obligations

IV Measurement of Profit/ Earnings before interest, 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, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the 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.

V 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 at the date of the financial statements and reported amounts of revenues and expenses during the period. 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.

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

Judgement, estimates and assumptions are required in particular for:

(a) Determination of the estimated useful lives

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, these are estimated by management taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance

(b) Recognition of deferred tax

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

(c) Recognition and measurement of defined benefit obligations

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

(d) Fair valuation of employee share options

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

(e) Impairment testing:

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

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2 Basis of accounting and preparation (continued)

(f) Business combination

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liability acquired, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

(g) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

VI Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

- Note 27: share-based payment arrangements.
- Note 28: financial instruments.

3 Significant accounting policies

a. Financial instruments

(i) Recognition and initial measurement

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

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

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

(ii) Classification and subsequent measurement

Financial assets

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

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

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

Amortized cost:

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

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

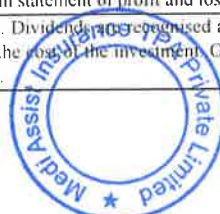
A financial asset is classified and measured at FVOCI if both of the following conditions are met:

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

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

Financial assets: Subsequent measurement and gains and losses

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



a. Financial instruments (continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

(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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

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

(iv) Offsetting

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

b. Foreign currency transactions

Foreign currency transactions during the year are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

c. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

d. Earnings per share

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

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

e. Revenue recognition

I. Income from services

- i. Effective from April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was not significant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects that consideration we expect to receive in exchange for those product or services.

The Company derives revenue from rendering TPA services which is measured either as a percentage of insurance premium or amount per member/ family covered under the policy depending on the terms of the contract entered into with insurance companies and government agencies. Such amounts are recognized as revenue on a pro-rata basis during the period of the underlying insurance policy based on the information made available to the Company for its customers. For healthcare and related services, the performance obligations are satisfied over time, as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the Contract. The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Revenue in excess of invoicing are classified as unbilled receivables (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as unearned revenues).

- ii. Finance income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognized as it accrues in the Statement of profit and loss, using the effective interest method.
Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.
- iii. Finance expenses consist of interest expense on loans and borrowings and other financial liabilities. The costs of these are recognized in the Statement of profit and loss using the effective interest method.

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f. Property, plant and equipment

Recognition and measurement:

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

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

Depreciation

Depreciation on property, plant and equipment is provided on straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. The Company estimates the useful lives for property, plant and equipment as follows:

Category of assets	Useful life (in years)
Furniture and fixtures	10 years
Computer equipment's - end user devices	3 years
Computer equipment's - servers and network	6 years
Electrical equipment	10 years
Office equipment	5 years
Air conditioners	10 years

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

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

g. Intangible assets

Recognition and measurement

Acquired intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortization and impairment.

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

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Management believes that period of amortisation is representative of the period over which the Company expects to derive economic benefits from the use of the assets.

Amortisation methods and useful lives are reviewed periodically including at each financial year end. Amortisation on additions and disposals during the year is provided on proportionate basis.

h. Impairment

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using effective interest rate.

Loss allowances for trade receivables and loans receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Lifetime expected credit loss is computed based on a provision matrix which takes in to the account historical credit loss experience adjusted for forward looking information. For other financial assets, expected credit loss is measured at the amount equal to twelve months expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime expected credit loss.

Impairment of non-financial assets

The Company assesses long-lived assets such as property, plant, equipment and acquired / self generated intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset or group of assets. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

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i. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases of assets, where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the lease term, unless such payments are structured to increase in line with the expected general inflation to compensate for the lessors expected inflationary cost increases.

j. Employee benefits

Short-term employee benefits:

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits expected to be paid in exchange for employee services is recognized as an expense for the related service rendered by employees.

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured by independent qualified actuary using the Projected Unit Credit Method.

Share-based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

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k. Taxation

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

Current income tax

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

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

Deferred tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax are recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. In that case the tax is recognised in other comprehensive income.

l. Business combination

In accordance with Ind AS 103, Business combinations, the Company accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

m. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less from the balance sheet date, but excludes restricted cash balances.

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

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

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

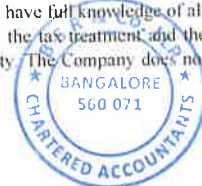
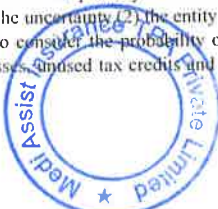
o. Recent pronouncement on Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

(i) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any impact of the amendment on its financial statements.



(ii) Ind AS 116 'Leases':

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

As per MCA notification dated 30 March 2019, Ind AS 116, Leases will come into force w.e.f financial periods commencing on or after 1 April 2019. Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors requires a company to make certain disclosures for a new standard which has been issued but has not yet come into effect. As per Ind AS 8, the financial statements for the period ending 31 March 2019 will need to include appropriate disclosures relating to possible impact of Ind AS 116.

The Company will adopt Ind AS 116, effective financial period beginning 1 April 2019.

The Company will apply this Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised at the date of initial application. Accordingly the Company will not restate the comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The right-of-use asset is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of transition to Ind AS 116.

On transition, the Company will be using the practical expedient provided by the Standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

Company as a lessee

With effect from 1 April 2019, the Company will recognise new assets and liabilities for its operating lease of premises. The nature of expenses related to the lease will change from lease rent in previous periods to:

- a) depreciation charge for the right-to-use asset, and
- b) interest expense on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between the actual lease payments and the expense recognised.

(iii) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any impact on its financial statements.

(iv) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

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4 Property, plant and equipment

(Rs. in millions)

Particulars	Leasehold improvement	Furniture and fixtures	Office equipment	Computer	Electrical equipment	Motor car	Air conditioners	Total
Gross carrying value								
Balance at 1 April 2017	26.21	15.48	19.24	83.84	2.06	0.14	4.01	150.98
Additions	14.19	14.15	11.54	23.79	6.39	-	8.93	78.99
Disposals	-	(2.27)	-	-	-	-	(0.30)	(2.57)
Balance at 31 March 2018	40.40	27.36	30.78	107.63	8.45	0.14	12.64	227.40
Accumulated depreciation								
Balance at 1 April 2017	8.22	6.01	9.94	47.62	1.02	0.02	1.52	74.35
For the year	4.86	1.95	3.93	18.06	0.45	0.03	1.07	30.35
Disposals	-	(2.18)	-	-	-	-	(0.30)	(2.48)
Balance at 31 March 2018	13.08	5.78	13.87	65.68	1.47	0.05	2.29	102.22
Net carrying value at 31 March 2018	27.32	21.58	16.91	41.95	6.98	0.09	10.35	125.18
Gross carrying value								
Balance at 1 April 2018	40.40	27.36	30.78	107.63	8.45	0.14	12.64	227.40
Acquisition through business combination *	-	0.61	0.94	1.75	-	-	-	3.30
Additions	16.07	12.48	10.91	38.41	4.75	-	6.84	89.46
Disposals	-	-	-	-	-	(0.14)	-	(0.14)
Balance at 31 March 2019	56.47	40.45	42.63	147.79	13.20	-	19.48	320.02
Accumulated depreciation								
Balance at 1 April 2018	13.08	5.78	13.87	65.68	1.47	0.05	2.29	102.22
For the year	8.61	4.00	5.72	23.13	1.36	0.02	2.06	44.90
Disposals	-	-	-	-	-	(0.07)	-	(0.07)
Balance at 31 March 2019	21.69	9.78	19.59	88.81	2.83	-	4.35	147.05
Net carrying value at 31 March 2019	34.78	30.67	23.04	58.98	10.37	-	15.13	172.97

* Refer Note 31

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5 Goodwill

(Rs in millions)	
Particulars	Goodwill
Gross carrying value	
Balance as at 1 April 2017	175.22
Additions	-
Balance as at 31 March 2018	175.22
Accumulated impairment	
Balance as at 1 April 2017	-
For the year	-
Balance as at 31 March 2018	-
Net carrying value at 31 March 2018	175.22

Gross carrying value	
Balance as at 1 April 2018	175.22
Acquisition through business combination *	42.41
Disposals / adjustments	-
Balance as at 31 March 2019	217.63
Accumulated impairment	
Balance as at 1 April 2018	-
For the year	-
Disposals / adjustments	-
Balance as at 31 March 2019	-
Net carrying value at 31 March 2019	217.63

* Refer Note 31.

Impairment testing for goodwill:

For the purpose of impairment testing, goodwill is allocated to TPA service since the Company operates in one segment i.e. rendering of TPA services and is considered as cash generating unit (CGU) for the purpose of impairment testing. The recoverable amount of the CGU is based on fair value less costs to sell, estimated using discounted cash flows. The fair value measurement has been categorised as level 3 fair value based on inputs to the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represents management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal source.

Particulars	31-Mar-19
Discount rate	18.65%
Terminal growth rate	3.00%
Budgeted EBITDA growth rate	11.00%

The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections includes specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of long-term compound annual EBITA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA has been estimated taking into account past experience adjusted as follows:

Revenue growth has been projected taking into account the average growth rate levels experienced over past five years and the estimated sales volume and price growth for the next five year. It has been assumed that the sales price would increase in line with forecast inflation over the next five year.

Based on the assessment, the Company determined that the estimated recoverable value of the CGU is higher than its carrying cost and consequently, the Company has not recorded any impairment loss following the guidance under Ind AS 36 "Impairment of assets".



6 Intangible assets

(Rs in millions)

Particulars	Software and licenses	Customer contracts	Customer relationship	Total
Gross carrying value				
Balance as at 1 April 2017	67.29	295.46	-	362.75
Additions	5.78	-	-	5.78
Balance as at 31 March 2018	73.07	295.46	-	368.53
Accumulated amortisation				
Balance as at 1 April 2017	65.93	14.77	-	80.70
For the year	4.12	29.55	-	33.67
Balance as at 31 March 2018	70.05	44.32	-	114.37
Net carrying value as at 31 March 2018	3.02	251.14	-	254.16
Gross carrying value				
Balance as at 1 April 2018	73.07	295.46	-	368.53
Acquisition through business combination *	0.09	2.30	20.30	22.69
Additions	4.11	-	-	4.11
Balance as at 31 March 2019	77.27	297.76	20.30	395.33
Accumulated amortisation				
Balance as at 1 April 2018	70.05	44.32	-	114.37
For the year	3.63	31.28	1.90	36.81
Balance as at 31 March 2019	73.68	75.60	1.90	151.18
Net carrying value as at 31 March 2019	3.59	222.16	18.40	244.15

* Refer Note 31.

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Medi Assist Insurance TPA Private Limited
Notes to the financial statements (continued)

7 Non-current financial assets

7 (a) Loans receivables

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
<i>Considered good, Unsecured</i>		
Security deposits	22.80	16.94
Earnest Money Deposit	9.13	6.87
	<u>31.93</u>	<u>23.81</u>

7 (b) Others financial assets

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Bank deposits with more than 12 months maturity *	0.40	52.93
Interest accrued but not due on fixed deposits	0.02	0.89
Other receivables	-	1.50
	<u>0.42</u>	<u>55.32</u>

*Includes bank deposit of Rs. 0.40 million (31 March 2018: Rs. 35.93 million) placed with bank against which bank guarantee have been issued to insurance companies.

8 Other non-current assets

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Advance tax and tax deducted at source, net of provisions	497.11	320.61
Prepaid expenses	5.56	2.83
Capital advances	0.16	19.34
	<u>502.83</u>	<u>342.78</u>

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Medi Assist Insurance TPA Private Limited
Notes to the financial statements (continued)

9 Current financial assets

9 (a) Investments

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
<i>Investments in mutual funds - Unquoted- (Fair Value through profit and loss)</i>		
Franklin India Short Term Income Plan - Retail plan [58,243 units (31 March 2018: 27,666 units)]	232.81	101.54
Reliance Regular Saving Fund Debt Plan - Growth [7,571,035 units (31 March 2018: 5,874,836 units)]	195.17	142.22
Reliance Liquid Fund - Daily Dividend Option Dividend Reinvestment (LFIDR) [55,737.15 units (31 March 2018: Nil units)]	85.24	-
Kotak Medium Term Fund - Growth plan [4,987,767 units (31 March 2018: 5,729,364 units)]	76.23	82.69
ICICI Corporate Bond Fund - Growth [1,408,204 units (31 March 2018: 3,983,268 units)]	40.06	107.72
DHFL Pramerica Credit Opportunities Fund - Regular growth [2,271,925 units (31 March 2018: 2,271,925 units)]	32.91	31.28
Kotak - Credit Risk Fund - Regular Plan Growth [1,061,547 units (31 March 2018: 2,786,218 units)]	21.60	53.29
LIC Liquid Fund - Direct-Growth Plan [5,948.21 units (31 March 2018: Nil units)]	20.15	-
UTI Income Opportunities Fund - Growth plan [Nil units (31 March 2018: 2,982,761 units)]	-	47.27
Kotak Low Duration Fund - Weekly dividend [Nil units (31 March 2018: 35,818 units)]	-	36.54
IDFC Banking Debt Fund - Direct Plan - Daily Dividend [Nil units (31 March 2018: 1,999,145 units)]	-	20.21
IDFC Low Duration fund- Daily Dividend [Nil units (31 March 2018: 1,396,705 units)]	-	14.13
IDFC Super Saver Income Fund - Medium Term Plan - Monthly Dividend [Nil units (31 March 2018: 1,005,581 units)]	-	10.50
IDFC Cash Fund - Daily Dividend - Direct Plan [Nil units (31 March 2018: 1,438 units)]	-	1.44
	704.17	648.83
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments and market value thereof	704.17	648.83
Aggregate amount of impairment in value of investments	-	-

9 (b) Trade receivables

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Considered good - Unsecured	656.50	736.65
Credit impaired	40.08	45.05
Total receivables	696.58	781.70
Less: Allowance for expected credit losses	(40.08)	(45.05)
	656.50	736.65
<i>a) Due date based aging</i>		
Debts outstanding for period exceeding six months from the date they become receivable	271.19	369.86
Other debts	425.39	411.84
	696.58	781.70

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Medi Assist Insurance TPA Private Limited
Notes to the financial statements (continued)

9 Financial assets (continued)

9 (c) Cash and cash equivalents

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Cash on hand	0.16	0.31
Balances with banks		
- In current accounts	80.21	49.37
- In float accounts *	7.44	13.65
	<u>87.81</u>	<u>63.33</u>
Balances with banks		
- On float accounts *	(7.44)	(13.65)
Cash and cash equivalents	<u>80.37</u>	<u>49.68</u>

* Float balance represents amount received from the Insurance companies towards settlement of health insurance claims.

9 (d) Bank balances other than cash and cash equivalents above

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity of more than three months but less than 12 months *	25.70	6.01
	<u>25.70</u>	<u>6.01</u>

* Includes bank deposit of Rs. 22.53 million (31 March 2018: Rs 1.50 million) placed with bank against which bank guarantee have been issued to insurance companies.

9 (e) Loans receivables

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
<i>Considered good - Unsecured</i>		
Security deposits	10.71	20.01
<i>Credit impaired</i>		
Security deposits	0.08	0.08
Less: Provision for security deposits	(0.08)	(0.08)
	<u>10.71</u>	<u>20.01</u>

9 (f) Others financial assets

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
<i>Considered good - Unsecured</i>		
Accrued interest income	1.55	0.02
Other receivables	27.72	16.61
<i>Unsecured, considered doubtful</i>		
Other receivables	12.23	12.23
Less: Provision for other receivables	(12.23)	(12.23)
	<u>29.27</u>	<u>16.63</u>

10 Other current assets

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
<i>Considered good - Unsecured</i>		
Balances with government authorities	14.45	46.72
Advances to suppliers	42.39	47.87
Advances to employees	1.54	2.52
Prepaid expenses	13.48	9.48
	<u>71.86</u>	<u>106.59</u>

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Medi Assist Insurance TPA Private Limited
Notes to the financial statements (continued)

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

11 Equity share capital

Particulars	As at	As at
	31 March 2019	31 March 2018
Authorised:		
6,020,000 (31 March 2018: 4,020,000) equity shares of Rs 10 each *	60.20	40.20
	60.20	40.20
Issued and Subscribed and Paid-up:		
4,012,370 (31 March 2018: 4,012,370) equity shares of Rs 10 each	40.12	40.12
	40.12	40.12

(* Effect of increase in authorised share capital upon merger order of Dedicated Healthcare Services TPA (India) Private Limited ("DHS"), a wholly owned subsidiary of the Company, with the Company.)

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

Particulars	As at		As at	
	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	4,012,370	40.12	4,012,370	40.12
Issued during the year	-	-	-	-
At the end of the year	4,012,370	40.12	4,012,370	40.12

b) Rights, preference and restrictions attached to the shares:

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sum presently payable has not been paid. Failure to pay any amount called up on shares may lead to forfeiture of shares. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company:

Particulars	As at		As at	
	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs 10 each fully paid up held by				
Medi Assist Healthcare Services Limited (includes 5 equity shares held jointly with one of the directors)	4,012,370	40.12	4,012,370	40.12
	4,012,370	40.12	4,012,370	40.12

d) List of shareholders holding more than 5% shares of a class of shares

Particulars	As at		As at	
	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs 10 each fully paid-up held by				
Medi Assist Healthcare Services Limited (includes 5 equity shares held jointly with one of the directors)	4,012,370	40.12	4,012,370	40.12
	4,012,370	40.12	4,012,370	40.12

e) Shares reserved for issue under employee stock option schemes:

Particulars	As at		As at	
	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Under employee stock option scheme, 2012: 304,940 equity shares of Rs. 10 each*	304,940	3.05	304,940	3.05

*Refer note 27 for further details of the scheme.

f) The Company has not allotted any fully paid up equity share by way of bonus shares, or in pursuant to contract without payment being received in cash nor has bought back any class of equity shares during the period of five year immediately preceding the balance sheet date.

12 Other equity

Particulars	As at		As at	
	31 March 2019		31 March 2018	
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes		1,783.88		1,592.85
Employee stock option outstanding account		21.57		33.28
		1,805.45		1,626.13

(a) Employee stock option outstanding account

The employee stock option outstanding account is used to recognize grant date fair value of the options issued to the employees under the company's stock option plan. For further details Refer Note 27 for ESOS scheme details.

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13 Provisions (non-current)

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits:		
Gratuity *	49.06	32.35
	<u>49.06</u>	<u>32.35</u>

* Refer Note 26.

14 Deferred tax liabilities

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Deferred tax assets		
Provision for employee benefits	(19.66)	(22.96)
Allowance for bad and doubtful debts	(15.25)	(19.85)
Other items	(1.21)	(3.03)
Total deferred tax assets	<u>(36.12)</u>	<u>(45.84)</u>
Deferred tax liabilities		
Excess depreciation provided as per income tax law over books	55.95	50.42
Temporary difference arising from fair value adjustment of financial assets and liabilities, net	11.38	6.51
Total deferred tax liabilities	<u>67.33</u>	<u>56.93</u>
Deferred tax liabilities (net)	<u>31.21</u>	<u>11.09</u>

15 Current financial liabilities

15(a) Trade payables

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Total outstanding dues to micro, small and medium enterprises *	-	-
Total outstanding dues to creditors other than micro, small and medium enterprises	226.01	275.11
	<u>226.01</u>	<u>275.11</u>

* Refer Note 36

15(b) Other financial liabilities

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Employee benefits payable	18.39	46.99
Insurer's float balance	5.77	14.16
Creditors towards other expenses	31.39	73.74
Creditors for capital goods	5.04	0.72
Other payables	6.47	-
Accrued expenses	125.51	135.05
	<u>192.57</u>	<u>270.66</u>

16 Other current liabilities

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Advance received from customers	1.11	-
Statutory liabilities	99.39	142.88
	<u>100.50</u>	<u>142.88</u>

17 Provisions (current)

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits:		
Employee compensated absences	2.84	7.79
Gratuity *	15.62	17.58
	<u>18.46</u>	<u>25.37</u>

* Refer Note 26.

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18 Revenue from operations

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<i>Sale of services :</i>		
Third Party Administration (TPA) fees	2,865.78	2,289.66
Card processing income	52.98	282.77
Add: opening unearned income (includes unearned income balance of Rs 39.98 million acquired from as business acquisition)	839.59	813.97
	3,758.35	3,386.40
Less: closing unearned income	984.23	799.61
Income from sale of services	2,774.12	2,586.79
<i>Other operating revenue:</i>		
Income from facilitating pre-policy check up services	22.48	14.84
	<u>2,796.60</u>	<u>2,601.63</u>

(A) Disaggregate of revenue information

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments:

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	
Major Product/ Service Lines		
Income from services		2,743.62
Income from card processing		52.98
		<u>2,796.60</u>
Timing of transfer of goods and services		
Services transferred over time		2,721.14
Services transferred point in time		75.46
		<u>2,796.60</u>
Contract counterparties		
Government customers		529.01
Others		2,267.59
		<u>2,796.60</u>

(B) Contract balances

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

Particulars	As at 31 March 2019
Trade receivables	656.50
Contract liabilities	984.23

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The contract liabilities primarily relate to advance consideration received from customers for rendering of services.

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

Particulars	As at 31 March 2019
Movement in contract liabilities:	
Revenue recognised that was included in the contract liability balance at the beginning of the year	-
Increases due to cash received, excluding amounts recognised as revenue during the year	984.23
Closing as at 31 March 2019	<u>984.23</u>

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(C) Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance

Particulars	Financial year 2019-2020	Financial year 2020-2021	Financial year 2021-2022	Total
TPA services	921.04	0.09	0.10	921.23
Govt.	63.00	-	-	63.00
	984.04	0.09	0.10	984.23

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

(D) Additional disclosure when Ind AS 115 is not applied retrospectively

Effective from 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using cumulative catch-up transition method, applied to contracts that were not completed as of 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of each financial statement line item is affected in current reporting period by the application of this standard as compared to Ind AS 11 and Ind AS 18.

Particulars	Financial year 2018-2019		
	As reported on Ind AS 115 basis	Effect	As would have been reported on Ind AS 11 and Ind AS 18 basis
Revenue	2,601.63	-	2,601.63
Trade receivables	736.65	-	736.65
Unbilled receivables	648.80	-	648.80
Unearned revenue	-	(799.61)	799.61
Contract liabilities	799.61	799.61	-

19 Other income

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Net gain on financial assets measured at fair value through profit and loss	20.37	-
Profit on sale of investment in mutual funds	12.35	19.00
Dividend income	2.38	14.64
Interest on term deposits	1.88	4.97
Interest income on financial assets at amortised cost	1.09	0.82
Interest on income tax refund	0.84	7.61
Profit on sale of Property, plant and equipment	-	0.09
Creditors no longer payable written back	-	4.74
Miscellaneous income	0.04	0.03
	38.95	51.90

20 Employee benefits

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, bonus and allowances	849.69	713.41
Contribution to provident and other funds	79.44	59.00
Employee stock option compensation cost (net)	4.11	3.92
Staff welfare expenses	24.73	18.53
	957.97	794.86

21 Finance costs

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Bank guarantee commission	0.41	0.28
Other interest	1.24	0.37
	1.65	0.65

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22 Depreciation and amortisation

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	44.90	30.35
Amortisation of intangible assets	36.81	33.67
	<u>81.71</u>	<u>64.02</u>

23 Other expenses

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Enrolment card charges	52.68	254.34
Software subscription charges	337.12	276.11
Sub-contracting expenses	253.80	201.05
Business support services	187.02	140.90
Rent	114.04	97.32
Postage and communication	85.81	86.75
Repair and maintenance	51.19	47.95
Printing and stationery	80.43	64.34
Travelling and conveyance	79.62	61.86
Legal and professional	76.70	33.66
Power and fuel charges	31.41	25.81
Insurance awareness initiatives	11.62	18.71
Provision for doubtful debts (net)	-	15.34
Claims disallowed	35.46	10.63
Security expenses	13.66	9.54
Corporate social responsibility (Refer Note 33)	6.71	7.40
Rates and taxes	1.72	3.13
Housekeeping charges	6.48	2.77
Auditors' remuneration	1.90	1.80
Bad debts written off	2.93	-
Insurance	1.22	0.82
Net loss on financial assets measured at fair value through	-	0.22
Seminar, training and conference expenses	0.30	0.02
Director sitting fees	0.10	0.10
Miscellaneous expenses	1.59	2.16
	<u>1,433.51</u>	<u>1,362.73</u>

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24 Contingent liabilities and commitments

(Rs in millions)

Particulars	As at 31 March 2019	As at 31 March 2018
Contingent liabilities:		
Bonus as per The Payment of Bonus (Amendment) Act, 2015 for the period from 1 April 2014 to 31 March 2015	5.71	5.71
Demands raised by income-tax authorities for various assessment years with regard to taxation of non-deduction of tax on payments made by the Company to various hospitals towards cashless claims. [Net of amount paid to Income tax authority under protest of Rs. 55.02 million (31 March 2018: Rs. 55.02 million)] *	-	-
Claims against the Company not acknowledged by the Company	0.82	0.03
Employee Provident fund **	-	-
Commitments:		
Estimated amount of contracts, remaining to be executed on capital account and not provided for	0.49	5.72

* The Company has appealed with respect to TDS demand and interest thereon with both Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal who have upheld the Company's contention that section 194J of the Income Tax Act, 1961 is applicable only on professional fees. The Company has received partial reliefs from various appellate authorities and as regards interest, the demands raised are not in terms of the order of the appellate authorities and the Company has moved to Honorable High court of Karnataka for relief. Pending such hearings, no provision has been recorded as the Company is confident of winning the matter in the Honorable High Court of Karnataka.

** The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

25 Earnings per share ("EPS")

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to ordinary shareholders.		
Net Profit for the year attributable to the equity share holders (a)	247.80	301.28
Weighted average number of equity shares outstanding for basic earning per share (b)	4,012,370	4,012,370
Weighted average number of equity shares outstanding for diluted earning per share (c)	4,098,627	4,069,918
Basic earning per share of Rs 10/- each [a/b]	61.76	75.09
Diluted earning per share of Rs 10/- each [a/c]	60.46	74.03

The computation of equity shares used in calculating basic and diluted earning per share is set out below:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Weighted average number of equity shares outstanding during the period for calculating basic EPS	4,012,370	4,012,370
Effect of dilutive potential equity shares		
- Employee stock options	86,257	57,548
Weighted average number of equity shares outstanding during the period for calculation of diluted EPS	4,098,627	4,069,918

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26 Employee benefits

The Company contributes to the following post-employment plans.

a. Defined contribution plan:

The contributions paid/ payable to Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes and other funds, are determined under the relevant approved schemes and / or statutes and are recognised as expense in the statement of profit and loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/ appropriate authorities.

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards employee provident fund and employees state insurance, which are defined contribution plans. The Company has no obligation other than to make the specified contribution. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident fund and employee state insurance for the year aggregated to Rs. 61.41 million (31 March 2018: Rs. 44.50 million).

b. Defined benefit plans:

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

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

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	71.65	50.16
Fair value of plan assets	(6.97)	(0.23)
Net defined benefit obligation	(64.68)	(49.93)
Current liabilities	(15.62)	(17.58)
Non-current liabilities	(49.06)	(32.35)

(i) Reconciliation of the net defined benefit liability

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

Reconciliation of present value of defined benefit obligation

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	50.16	45.46
Addition on business combination	6.65	-
Current service cost	10.80	9.09
Interest cost	3.43	2.99
Benefits paid by the plan	(8.51)	(8.67)
Actuarial gains/ (losses) recognised in other comprehensive income	0.49	(1.84)
Changes in demographic assumptions	(2.05)	1.03
Changes in financial assumptions	10.68	2.10
Experience adjustment	71.65	50.16
Balance at the end of the year	71.65	50.16

Reconciliation of present value of plan assets

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	(0.23)	(3.69)
Addition on business combination	(6.65)	-
Contributions paid by the employer	(8.49)	(5.40)
Benefits paid	8.51	8.67
Interest income	(0.28)	(0.14)
Return on planned assets recognised in other comprehensive income	0.17	0.33
Experience adjustment	(6.97)	(0.23)
Balance at the end of the year	(6.97)	(0.23)

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26 Employee benefits (continued)

Expense recognised in statement of profit and loss

(Rs in millions)

Particulars	As at 31 March 2019	As at 31 March 2018
Current service cost	10.80	9.09
Interest cost	3.43	2.99
Interest income	(0.28)	(0.14)
	<u>13.95</u>	<u>11.94</u>

Expense recognised in other comprehensive income

(Rs in millions)

Particulars	As at 31 March 2019	As at 31 March 2018
Changes in demographic assumptions	0.49	(1.84)
Changes in financial assumptions	(2.05)	1.03
Experience adjustment	10.86	2.43
	<u>9.30</u>	<u>1.62</u>

ii. Plan assets

Plan assets comprise the following

(Rs in millions)

Particulars	As at 31 March 2019	As at 31 March 2018
Managed by - Reliance Nippon Life Insurance and Life Insurance Corporation	6.97	0.23
	<u>6.97</u>	<u>0.23</u>

iii. Actuarial assumptions

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

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	6.60%	6.70% - 6.84%
Expected return	6.84%	6.70% - 6.84%
Future salary growth	8.00%	9.90%
Rate of employee turnover	38.00%	40.04%

iv. Sensitivity analysis

(Rs in millions)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.91)	2.01	(1.15)	1.21
Future salary growth (1% movement)	1.97	(1.90)	0.94	(0.91)
Rate of employee turnover (1% movement)	(0.37)	0.38	(0.30)	0.31

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

Expected future cash flows

(Rs in millions)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Discounted	Undiscounted	Discounted	Undiscounted
1 st following year	30.47	31.46	12.76	13.37
2 nd following year	21.69	23.87	6.75	7.58
3 rd following year	14.91	17.49	4.23	5.07
4 th following year	10.25	12.82	2.53	3.24
5 th following year	7.10	9.40	1.58	2.16
Thereafter	18.54	29.61	2.26	3.57

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27 Employee-based payment arrangement

2012 plan

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

The Company has granted to its employee 87,842 employee stock options on 30 April 2012, 17,333 employee stock options on 30 April 2013, 28,198 employee stock options on 1 June 2014, 6,374 employee stock options on 1 June 2015, 13,500 employee stock options on 15 September 2015, 29,000 employee stock options on 15 July 2016 and 45,394 employee stock options on 1 July 2017. These options which confer a right but not an obligation on the employee to apply for equity shares of the Company once the terms and conditions set forth in the Employee Stock Option Scheme 2012 ("ESOS 2012") and the option agreement have been met. Vesting of options would be subject to continued employment with the Company and meeting the requisite performance parameters. As at the balance sheet date 86,257 options were vested to the employees.

The Company had below share based payment arrangement under ESOS 2012 as on 31 March 2019

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

Conditions

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

Vesting schedule

	Grant I	Grant II	Grant III	Grant IV, V, VI, VII, VIII and IX	Grant X	Grant XI	Grant XII
At the end of 1 year	15%	33%	100%	15%	35%	65%	100%
At the end of 2 year	20%	33%	-	20%	30%	35%	-
At the end of 3 year	30%	34%	-	30%	35%	-	-
At the end of 4 year	35%	-	-	35%	-	-	-

Modification of Employee Stock Option Scheme

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

Modified Vesting schedule

	Grant I	Grant II	Grant III	Grant IV, V, VI, VII, VIII and IX	Grant X	Grant XI	Grant XII
Immediate	100%	100%	100%	100%	100%	100%	100%

Fair value of options Pre and Post modification:

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

Fair market value as on the date of modification Rs. 2,270 per option

Reconciliation of outstanding employee stock options:

For the year ended 31 March 2018

Particulars	Shares arising out of options	Range of exercise prices (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life
Outstanding as at 1 April 2017	121,814	140 - 1,368	744	4.15
Add: Options granted during the year	45,394	1,505	1,505	3.28
Less: Options lapsed during the year	9,757	235 - 1,505	1,371	-
Options outstanding at 31 March 2018	157,451	140 - 1,505	925	3.28
Exercisable options at 31 March 2018	76,467	140 - 1,505	433	3.28

For the year ended 31 March 2019

Particulars	Shares arising out of options	Range of exercise prices (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life
Outstanding as at 1 April 2018	157,451	140 - 1,505	925	3.28
Add: Options granted during the year	-	-	-	-
Less: Options cancelled during the year *	71,194	140 - 1,505	1,186	-
Options outstanding at 31 March 2019	86,257	140 - 1,505	709	1.00
Exercisable options at 31 March 2019	86,257	140 - 1,505	709	1.00

* The Company during the year partially cancelled the ESOP grants based on the mutual agreement with the employees for settlement through cash. The cash consideration for the partial cancellation of ESOP grants has been accounted for as repurchase of an equity interest to the extent that the consideration does not exceed the fair value of the equity shares on the date of cancellation.

The consideration paid to the employees in excess of the ESOP reserve related to the partially cancelled ESOP grants is adjusted through retained earnings due to the consideration did not exceed the fair value of the equity shares on the date of cancellation.

Expenses summary of shared-based payment

For details on employee benefits Refer Note 20



28 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

As at 31 March 2019					(Rs in millions)			
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets								
Loans receivables	-	-	31.93	31.93	-	-	-	-
Other non-current financial assets	-	-	0.42	0.42	-	-	-	-
Current financial assets								
Investments	704.17	-	-	704.17	704.17	-	-	704.17
Trade receivables	-	-	656.50	656.50	-	-	-	-
Unbilled revenue	-	-	691.66	691.66	-	-	-	-
Cash and cash equivalents	-	-	87.81	87.81	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	25.70	25.70	-	-	-	-
Loans receivables	-	-	10.71	10.71	-	-	-	-
Other current financial assets	-	-	29.27	29.27	-	-	-	-
	704.17	-	1,534.00	2,238.17	704.17	-	-	704.17
Financial liabilities								
Current financial liabilities								
Trade and other payables	-	-	226.01	226.01	-	-	-	-
Other financial liabilities	-	-	192.57	192.57	-	-	-	-
	-	-	418.58	418.58	-	-	-	-

As at 31 March 2018					(Rs in millions)			
	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets								
Loans receivables	-	-	23.81	23.81	-	-	-	-
Other non-current financial assets	-	-	55.32	55.32	-	-	-	-
Current financial assets								
Investments	648.83	-	-	648.83	648.83	-	-	648.83
Trade receivables	-	-	736.65	736.65	-	-	-	-
Unbilled revenue	-	-	648.80	648.80	-	-	-	-
Cash and cash equivalents	-	-	63.33	63.33	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	6.01	6.01	-	-	-	-
Loans receivables	-	-	20.01	20.01	-	-	-	-
Other current financial assets	-	-	16.63	16.63	-	-	-	-
	648.83	-	1,570.56	2,219.39	648.83	-	-	648.83
Financial liabilities								
Current financial liabilities								
Trade and other payables	-	-	275.11	275.11	-	-	-	-
Other financial liabilities	-	-	270.66	270.66	-	-	-	-
	-	-	545.77	545.77	-	-	-	-

B. Measurement of fair values

The following methods and assumptions were used to estimate the fair values:

- The fair values of the units of mutual fund schemes are based on net asset value at the reporting date.

C. Financial risk management

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the risk management framework.

The Company's management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Company has exposure to the following risks arising from financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk

i. Market risk

Market risk is the risk that changes in market prices – such as interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

The Company's fixed rate fixed deposit are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a changes in market interest rates.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

- Trade receivables
- Cash and bank balances

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28 Financial instruments – Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Trade receivable

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

The company individually monitors the sanctioned credit limits as against the outstanding balances. Accordingly, the company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The company monitors each loans and advances given and makes any specific provision wherever required.

The company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables and loans and advances.

The maximum exposure to credit risk for trade receivables by type of counterparty was as follows

	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Trade receivables	696.58	781.70
	<u>696.58</u>	<u>781.70</u>

Impairment

The ageing of trade receivables that were not impaired was as follows.

	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Neither past due nor impaired	286.50	274.25
0-90 days	65.75	97.27
91-180 days	73.14	40.32
181-365 days	148.11	163.45
> 365 days	123.08	206.41
	<u>696.58</u>	<u>781.70</u>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	45.05	29.70
Impairment loss recognized	-	15.35
Amounts written off/ utilised	4.97	-
Balance at the end of the year	<u>40.08</u>	<u>45.05</u>

Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

iii. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Exposure to liquidity risk

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

As at 31 March 2019		(Rs in millions)				
Particulars	Carrying amount	Contractual cash flows				Total
		0-12 months	1-2 years	2-5 years	More than 5 years	
Current, non-derivative financial liabilities						
Trade and other payables- others	226.01	226.01	-	-	-	226.01
Other current financial liabilities	192.57	192.57	-	-	-	192.57
	<u>418.58</u>	<u>418.58</u>	-	-	-	<u>418.58</u>

As at 31 March 2018		(Rs in millions)				
Particulars	Carrying amount	Contractual cash flows				Total
		0-12 months	1-2 years	2-5 years	More than 5 years	
Current, non-derivative financial liabilities						
Trade and other payables- others	275.11	275.11	-	-	-	275.11
Other current financial liabilities	270.66	270.66	-	-	-	270.66
	<u>545.77</u>	<u>545.77</u>	-	-	-	<u>545.77</u>



29 Movement in deferred tax

i. Movement in deferred tax balances for the year ended 31 March 2018

Particulars	Deferred tax assets/ (liabilities) as at 31 March 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	Deferred tax assets/ (liabilities) as at 31 March 2018	Deferred tax assets	Deferred tax liabilities
Property plant and equipment and intangible assets	(32.55)	(17.87)	-	(50.42)	-	50.42
Employee benefits	20.84	1.56	0.56	22.96	22.96	-
Provision for doubtful debts	14.54	5.31	-	19.85	19.85	-
Investments	(6.54)	0.07	-	(6.48)	-	6.48
Security deposit	0.01	(0.04)	-	(0.03)	-	0.03
Temporary differences on expenses	9.01	(5.97)	-	3.03	3.03	-
Total	5.31	(16.94)	0.56	(11.09)	45.84	56.93

ii. Movement in deferred tax balances for the period ended 31 March 2019

Particulars	Deferred tax assets/ (liabilities) as at 31 March 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	Deferred tax assets/ (liabilities) as at 31 March 2019	Deferred tax assets	Deferred tax liabilities
Property plant and equipment and intangible assets	(50.42)	(5.53)	-	(55.95)	-	55.95
Employee benefits	22.96	(6.01)	2.71	19.66	19.66	-
Provision for doubtful debts	19.85	(4.60)	-	15.25	15.25	-
Investments	(6.48)	(4.90)	-	(11.38)	-	11.38
Security deposit	(0.03)	0.05	-	0.02	0.02	-
Temporary differences on expenses	3.03	(1.84)	-	1.19	1.19	-
Total	(11.09)	(22.83)	2.71	(31.21)	36.12	67.33

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30 Tax expense

(a) Amounts recognised in profit and loss

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	90.08	131.61
Taxes for earlier years	-	(18.56)
Deferred income tax liability, net	22.83	16.94
Tax expense for the year	112.91	129.99

(b) Amounts recognised in other comprehensive income

Particulars	(Rs in millions)			
	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Before tax	Tax benefit	Before tax	Tax benefit
Items that will not be reclassified to profit or loss				
Re-measurement of defined benefit (assets)/ liabilities	(9.30)	2.71	(1.62)	0.56
	(9.30)	2.71	(1.62)	0.56

(c) Reconciliation of effective tax rate

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	360.71	431.27
Domestic tax rate	29.120%	34.608%
Tax using company's domestic rate	105.04	149.25
Tax effect of:		
Employee stock option scheme accounted at fair value	1.20	1.36
Impact of restatement entries on current tax	-	(2.26)
Exempt income	(0.69)	(3.24)
CSR expenses	1.95	1.84
Origination and reversal of temporary difference	4.01	-
Other permanent differences	1.40	1.60
Income tax (credit) for earlier years	-	(18.56)
	112.91	129.99
Current tax	90.08	131.61
Income tax (credit) for earlier years	-	(18.56)
Deferred tax	22.83	16.94

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Medi Assist Insurance TPA Private Limited
Notes to the financial statements (continued)

31 Business combination

Summary of acquisition made during financial year 2018-19

On 29 May 2017, Medi Assist Insurance TPA Private Limited ("MAITPL" or "Buyer") and Medicare Insurance TPA Services (India) Private Limited ("Seller") has entered into a Business Transfer Agreement and accordingly Seller has agreed to sell the identified assets and liabilities relating to Third Party Administrator Business in accordance with TPA regulations under Insurance Regulatory and Development Authority of India (together called as "Business") on a slump sale basis.

On 29 June 2018, Medi Assist Insurance TPA Private Limited and Medicare Insurance TPA Services (India) Private Limited has entered into a Closing Agreement and accordingly the Seller sold the Business to the Buyer for a total consideration of Rs 113.15 million. The Company has accounted the business combination by applying the acquisition method.

Acquisition related-cost

The group incurred acquisition related cost of Rs. 3.5 million on consultancy fees. These costs have been included in 'other expenses' in the statement of profit and loss and in 'operating cash flows' in the statement of cash flows.

Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amount of assets acquired and liabilities assumed at the date of acquisition:

		(Rs in millions)
Particulars	Note	Amount
Property, plant and equipment	4	3.30
Customer contracts	6	2.30
Customer relationship	6	20.30
Other intangible assets	6	0.09
Loans receivables		1.70
Trade receivables		86.13
Cash and cash equivalents		1.71
Other current assets		70.88
Fair value of assets acquired		186.41
Provisions		(6.03)
Other financial liabilities		(71.85)
Other current liabilities		(37.79)
Fair value of liabilities assumed		(115.67)
Goodwill on consolidation	5	42.41
Total consideration payable		113.15

Purchase consideration - cash outflow

		(Rs in millions)
Particulars		Amount
Outflow of cash to acquire business, net of cash acquired		
Cash consideration		113.15
Less: Cash and cash equivalents acquired		(1.71)
Net outflow of cash - investing activities		111.44

Goodwill of Rs. 48.99 million comprises the value of expected synergies arising from acquisition and provider network of hospitals, which is not separately recognised. Goodwill recognised is expected to be deductible for income tax purpose.

The amounts of revenue and EBITDA of the acquiree since the acquisition date included in the consolidated statement of profit and loss for the reporting period amounted to Rs 114.70 million and Rs 1.30 respectively; and

The revenue and EBITDA of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period would have been Rs 223.76 million and Rs 30.82 million respectively.

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32 Operating leases

The Company is obligated under non-cancellable operating leases for office premises which is renewable on a periodic basis at the option of both the lesser and lessee. Total rental expense under non-cancellable operating lease amounts to Rs. 74.36 million (31 March 2018: Rs 51.68 million).

Future minimum lease payments under non-cancellable operating lease are as follows:

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Not later than one year	74.78	64.11
Later than one year but not later than 5 years	149.42	198.84
Later than 5 years	-	-

Further, the Company is obligated under cancellable operating leases for office space lease rentals. Total rental expense under cancellable operating leases during the year was Rs. 40.58 million (31 March 2019: Rs 45.65 million).

33 Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, the Company has formulated a CSR policy and has constituted a CSR committee. The area for CSR activities is livelihood enhancement and employment enhancing vocational skills by way of providing training in a wide array of functional areas to persons at various locations of the Company across India. During the period Rs. 6.71 million (31 March 2018: Rs. 7.40 million) was spent towards the CSR activities.

a) Gross amount required to be spent by the Company for the period Rs 6.54 million (31 March 2018: Rs 5.68 million).

b) Amount spent during the year:

For the year ended 31 March 2019

Particulars	(Rs in millions)		
	Amount paid	Not paid	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	6.71	-	6.71
	6.71	-	6.71

For the year ended 31 March 2018

Particulars	(Rs in millions)		
	Amount paid	Not paid	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	7.40	-	7.40
	7.40	-	7.40

34 Segment reporting

The Company operates in one segment i.e. rendering of TPA services. Hence, no disclosures for business segments have been given. Additionally, the Company operates only in one geography i.e. India and hence no disclosures for secondary segment information has been given.

35 Related party disclosures

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given below:

A. Names of the related parties and description of relationship

- | | |
|-----------------------------------|--|
| (i) Holding company | Medi Assist Healthcare Services Limited
(formerly known as Medi Assist Healthcare Services Private Limited) |
| (ii) Subsidiary | Dedicated Healthcare Services TPA (India) Private Limited
(Appointed date being 1 October 2016).
(Merged effective 24 April 2018) |
| (iii) Fellow subsidiary companies | Medybiz Services Private Limited
Medi Assist Foundation |
| (iv) Key Management Personnel | Dr. Vikram Jit Singh Chhatwal - Whole time Director
Mrs. Srimathi Ranganathan- Whole time Director (till 28 th September 2018) |

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35 Related party disclosures (continued)

B. Summary of transactions with the above related parties are as follows :

Particulars	(Rs in millions)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Support service fee paid to		
Medi Assist Healthcare Services Limited	217.76	161.10
Software subscription charges paid to		
Medi Assist Healthcare Services Limited	313.54	267.74
Reimbursement of expenses to		
Medi Assist Healthcare Services Limited		
Health screenings	126.45	80.48
Facilities and other expenses	34.21	32.10
Share based payment expenses cross charged to		
Medi Assist Healthcare Services Limited	11.22	9.23
Remuneration to Key Managerial Personnel		
Short term employee benefits	11.91	10.73

C. The Company has the following amount due from/ to related parties

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
Amount payable towards rendering of services		
Medi Assist Healthcare Services Limited	136.69	316.66
Other receivables		
Medi Assist Healthcare Services Limited	27.72	18.00

36 Micro, small and medium enterprise

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 and 31 March 2018 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company does not have any dues to micro and small enterprises as at 31 March 2019 and 31 March 2018.

The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:

Particulars	(Rs in millions)	
	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal	-	-
Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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37 Events after the reporting date

The Company evaluated all events or transactions that occurred after the balance sheet date through, the date at which the financial statements were available to be issued and determined that there are no other items to disclose except those already disclosed in the financial in earlier notes.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

for **BSR & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022



Vikash Gupta
Partner
Membership Number.: 064597

Place: Bengaluru
Date: 29 May 2019

for and on behalf of the Board of Directors of
Medi Assist Insurance TPA Private Limited



Dr. Vikram Jit Singh Chhatwal
Whole-time Director
DIN: 01606329

Place: Bengaluru
Date: 29 May 2019



Satish Venkata Naga Gidugu
Director
DIN : 06643677

Place: Bengaluru
Date: 29 May 2019



Suchitra Krishnakumar
Company Secretary
Membership Number: A29245

Place: Bengaluru
Date: 29 May 2019

