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 financial statements of Medi Assist Insurance TPA Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, 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 ("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 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Vy.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N M Joshi Marg, Mahalakshmi
Mumbai 400 011

Other Information (continued)

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

Management's and Board of Directors' Responsibility for 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 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, the 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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.

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Medi Assist Insurance TPA Private Limited

Independent Auditors' Report

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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 the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (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.

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Medi Assist Insurance TPA Private Limited

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements (continued)

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.

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 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 2020 on its financial position in its financial statements - Refer Note 26 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 - Refer Note 40 to the financial statements;

iii. There were no amounts which were 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 2020.

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Medi Assist Insurance TPA Private Limited

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements (continued)

(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

Vikash Gupta
Partner
Membership Number: 064597
Unique Document Identification Number: 20064597AAAADN7551

Place: Bengaluru
Date: 12 August 2020

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 2020, 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. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the financial statements, the lease agreements are in the name of the Company.

(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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the guarantee given. The Company has not granted loans, investments and security to Companies, firms or other parties and Section 185 of the Act is not applicable to the Company.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(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, goods and service tax, professional tax, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of sales tax, service tax, duty of excise and duty of customs during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were in arrears, as at 31 March 2020, for a period of more than six months from the date they became payable.

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(b) According to the information and explanations given to us, there are no disputed amounts payable in respect of service tax, sales tax, value added tax. The following dues of income-tax are being disputed by the Company:

Name of the Statue	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	2002-03 to 2009-10	High Court, Karnataka
Income-tax Act, 1961	Income tax and interest thereon	25.92	25.92	2011-12	Income-tax Appellant Tribunal (ITAT), Bangalore
Income-tax Act, 1961	Income tax and interest thereon	40.14	8.03	2017-18	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) According to the information and explanations given to us and based on examination of the records of the Company, in our opinion, 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) As stated in Note 38 of the financial statements, Management informed us that two of its employees (the "employees") misappropriated funds amounting to Rs. 13.13 million by gaining unauthorized access to a third-party system. According to the information and explanations given to us, no other material fraud on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give 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 requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, 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 Section 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. The provisions of Section 177 are not applicable to the Company.

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Medi Assist Insurance TPA Private Limited

Annexure A to the Independent Auditors' Report (continued)

(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.

(xvi) According to the information and explanation given to us and in our opinion 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

Vikash Gupta
Partner
Membership Number: 064597
Unique Document Identification Number: 20064597AAAADN7551

Place: Bengaluru
Date: 12 August 2020

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 2020

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 2 (A) (g) 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 2020 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 2020, 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 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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Annexure B to the Independent Auditors' Report on the financial statements of Medi Assist Insurance TPA Private Limited for the year ended 31 March 2020 (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 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

Vikash Gupta
Partner
Membership Number: 064597
Unique Document Identification Number: 20064597AAAADN7551

Place: Bengaluru
Date: 12 August 2020

Medi Assist Insurance TPA Private Limited

Balance Sheet

(Rs. in millions)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	226.45	172.97
Right-of-use assets	5	301.82	-
Goodwill	6	217.63	217.63
Other intangible assets	7	211.86	244.15
Financial assets	8		
Loans receivables	8 (a)	37.85	31.93
Other financial assets	8 (b)	17.24	0.42
Deferred tax assets (net)	9	2.72	-
Income tax asset, net of provision	10	602.52	497.11
Other non-current assets	11	-	5.72
Total non-current assets		**1,618.09**	**1,169.93**
Current assets			
Financial assets	12		
Investments	12 (a)	416.57	704.17
Trade receivables	12 (b)	622.35	656.50
Unbilled receivables		718.10	691.66
Cash and cash equivalents	12 (c)	89.96	87.81
Bank balances other than cash and cash equivalents	12 (d)	245.92	25.70
Loans receivables	12 (e)	12.69	10.71
Other financial assets	12 (f)	30.08	29.27
Other current assets	13	77.95	71.86
Total current assets		**2,213.62**	**2,277.68**
Total Assets		**3,831.71**	**3,447.61**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	40.12	40.12
Other equity	15	1,718.08	1,805.45
Total equity		**1,758.20**	**1,845.57**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	5	288.40	-
Provisions	16	61.93	49.06
Deferred tax liabilities (net)	9	-	31.21
Total non-current liabilities		**350.33**	**80.27**
Current liabilities			
Financial liabilities	17		
Lease liabilities	5	75.35	-
Trade payables:	17 (a)		
total outstanding dues to micro enterprises and small enterprises		-	-
total outstanding dues to creditors other than micro enterprises and small		188.80	226.01
Other financial liabilities	17 (b)	181.79	192.57
Contract liabilities		1,100.33	984.23
Other current liabilities	18	151.93	100.50
Provisions	19	24.98	18.46
Total current liabilities		**1,723.18**	**1,521.77**
Total liabilities		**2,073.51**	**1,602.04**
Total Equity and Liabilities		**3,831.71**	**3,447.61**

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: 12 August 2020

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: 12 August 2020

Satish Venkata Naga Gidugu
Whole-time Director
DIN: 06643677

Place: Bengaluru
Date: 12 August 2020

Suchitra Krishnakumar
Company Secretary
Membership Number: A29245

Place: Bengaluru
Date: 12 August 2020

Medi Assist Insurance TPA Private Limited
Bengaluru

Medi Assist Insurance TPA Private Limited

Statement of Profit and Loss

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

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	20	3,241.26	2,796.60
Other income	21	60.26	38.95
Total income		**3,301.52**	**2,835.55**
Expenses			
Employee benefits	22	1,206.64	957.97
Other expenses	25	1,606.19	1,433.51
Total expenses		**2,812.83**	**2,391.48**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**488.69**	**444.07**
Finance costs	23	31.66	1.65
Depreciation and amortisation	24	164.28	81.71
Total expenses		**3,008.77**	**2,474.84**
Profit before tax for the year		**292.75**	**360.71**
Income tax expense:			
Current tax	32	92.06	90.08
Income tax charge for earlier year	32	19.39	-
Deferred tax (credit)/ charge	31	(13.15)	22.83
		98.30	**112.91**
Profit after tax for the year		**194.45**	**247.80**
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Re-measurement of defined benefit (assets)/ liabilities		(10.89)	(9.30)
Income tax relating to items that will not be reclassified to statement of profit and loss		2.74	2.71
Total other comprehensive income for the year, net of income tax		**(8.15)**	**(6.59)**
Total comprehensive income for the year		**186.30**	**241.21**
Earnings per share [Face value of Rs. 10 per share (31 March 2019: Rs. 10 per share)]	27		
Basic		48.46	61.76
Diluted		48.46	60.46

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

Vikash Gupta
Partner
Membership Number: 064597

Place: Bengaluru
Date: 12 August 2020

for and on behalf of the Board of Directors of
Medi Assist Insurance TPA Private Limited
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Whole-time Director
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Place: Bengaluru
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DIN : 06643677

Place: Bengaluru
Date: 12 August 2020

Suchitra Krishnakumar
Company Secretary
Membership Number: A29245

Place: Bengaluru
Date: 12 August 2020

Medi Assist Insurance TPA Private Limited ★ Bengaluru

Medi Assist Insurance TPA Private Limited
Statement of Changes in Equity

A. Equity share capital

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
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

(Rs. in millions)

Particulars	Note	Reserves and surplus		Item of other comprehensive income	Total Equity
		Employee stock option outstanding	Retained earnings	Re-measurement of defined benefit (assets)/ liabilities	
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	(a)	(27.04)	(50.18)	-	(77.22)
Balance as at 31 March 2019		21.57	1,791.71	(7.83)	1,805.45
Balance as at 1 April 2019		21.57	1,791.71	(7.83)	1,805.45
Transition impact of Ind AS 116, net of tax	(b)	-	(43.90)	-	(43.90)
Restated balance as at 1 April 2019		21.57	1,747.81	(7.83)	1,761.55
Profit after tax for the year		-	194.45	-	194.45
Other comprehensive income, net of income tax		-	-	(8.15)	(8.15)
Total comprehensive income for the year		-	194.45	(8.15)	186.30
Transactions recorded directly in equity					
Dividend (including tax on dividend of Rs. 39.18 million)	(c)	-	(229.77)	-	(229.77)
Balance as at 31 March 2020		21.57	1,712.49	(15.98)	1,718.08

Notes:

(a) Refer Note 28.

(b) Refer Note 5.

(c) The Board of Directors of the Company in its meeting held on 23 March 2020 declared an interim dividend of Rs. 47.50 per equity share. Dividends declared by the Company are based on the profits available for distribution.

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

Vikash Gupta
Partner
Membership Number: 064597

Place: Bengaluru
Date: 12 August 2020

for and on behalf of the Board of Directors of
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Place: Bengaluru
Date: 12 August 2020

Suchitra Krishnakumar
Company Secretary
Membership Number: A29245

Place: Bengaluru
Date: 12 August 2020

Medi Assist Insurance TPA Private Limited
Bengaluru

Medi Assist Insurance TPA Private Limited

Statement of Cash Flows

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities		
Profit before tax for the year	292.75	360.71
Adjustments:		
Depreciation and amortisation	164.28	81.71
Allowance for expected credit losses	9.00	-
Provision for doubtful receivables	10.08	-
Provision for doubtful advances	10.70	-
Provision no longer required written back	(7.45)	-
Employee stock option compensation cost	-	4.11
Finance costs	31.66	1.65
Profit on sale of mutual fund investments	(15.61)	(12.35)
Interest income	(5.22)	(3.81)
Net gain on financial assets measured at fair value through profit and loss	(10.37)	(20.37)
Dividend received	(2.66)	(2.38)
Operating cash flows before working capital changes	**477.16**	**409.27**
Working capital movements:		
(Decrease) in trade payables	(37.21)	(49.10)
Increase in other liabilities	154.92	58.39
Increase in provisions	17.81	2.13
Decrease in trade receivables	25.15	80.15
(Increase) in other assets	(56.60)	(30.81)
Cash generated from operations	**581.23**	**470.03**
Income taxes paid, net	(216.76)	(265.18)
Net cash flows generated from operating activities (A)	**364.47**	**204.85**
Cash flows from investing activities		
Purchase of property, plant and equipment including capital advances	(109.48)	(77.78)
Proceeds from sale of property, plant and equipment	-	0.07
Sale of current investments	2,149.35	-
Purchase of current investments	(1,835.77)	(22.62)
Acquisition of business	-	(109.00)
Maturity proceeds of fixed deposit	25.70	32.83
Investment in fixed deposits	(262.50)	-
Dividend received	2.66	2.38
Interest received	3.35	1.22
Net cash used in investing activities (B)	**(26.69)**	**(172.90)**
Cash flows from financing activities		
Finance costs paid	(0.38)	(1.26)
Dividend paid (including tax on dividend)	(229.77)	-
Repayment of lease liabilities	(98.04)	-
Net cash used in financing activities (C)	**(328.19)**	**(1.26)**
Net increase in cash and cash equivalents (A+B+C)	9.59	30.69
Cash and cash equivalents at the beginning of the year	80.37	49.68
Cash and cash equivalents at the end of the year (Refer Note 12 (c))	**89.96**	**80.37**
Component of cash and cash equivalents		
Balances with banks		
- In current accounts	89.70	80.21
Cash on hand	0.26	0.16
Total cash and cash equivalents	**89.96**	**80.37**

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Medi Assist Insurance TPA Private Limited Bengaluru

Medi Assist Insurance TPA Private Limited
Statement of Cash Flows (continued)

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Non-cash changes in financing and investing activities		
Fair value changes		
Current financial assets - Investments	(28.28)	20.37
	(28.28)	**20.37**

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 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

Vikash Gupta
Partner
Membership Number: 064597

Place: Bengaluru
Date: 12 August 2020

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: 12 August 2020

Satish Venkata Naga Gidugu
Whole-time Director
DIN : 06643677

Place: Bengaluru
Date: 12 August 2020

Suchitra Krishnakumar
Company Secretary
Membership Number: A29245

Place: Bengaluru
Date: 12 August 2020

Medi Assist Insurance TPA Private Limited ★ Bengaluru

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 entered into contracts with several general insurance companies and government agencies to offer TPA services. 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 health 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 2020. These financial statements were authorised for issuance by the Company's Board of Directors on 12 August 2020.

Except for the changes below, the Company has consistently applied accounting policies to all periods.
On 30 March 2019, the Ministry of Corporate Affairs has notified the following:

(i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. Refer Note 5 for further details.

(ii) Amendment to Ind AS 19 'Employee Benefits': Limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from 1 April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

(iii) Amendment to Ind AS 12 'Income Taxes': Limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from 1 April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

(iv) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: Notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1 April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

II Functional and presentation currency

These financial statements are presented in Indian rupees (Rs.), 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

Medi Assist Insurance TPA Private Limited ★ Bengaluru

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 amortisation (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 recognised prospectively.

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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 support.

(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.

2 Basis of accounting and preparation (continued)

(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, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

(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) Leases

The Company evaluates if an arrangement qualifies to be a lease based on the requirements of the relevant standard. Identification of a lease requires significant management judgment. Computation of the lease liabilities and right-to-use assets requires management to estimate the lease term (including anticipated renewals) and the applicable discount rate. Management estimates the lease term based on past practices and reasonably estimated / anticipated future events. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristic

(h) 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 29: Employee share based payment
- Note 30: 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 non-financial 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.

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Bengaluru

a. Financial instruments (continued)

(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 FVTOCI 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. Dividends are 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.

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 profit before tax for the year 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.

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e. Revenue recognition

Income from services

i. 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 while invoicing in excess of revenues are classified as contract liabilities.

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 costs 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.

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 property, plant and equipment 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.

An item of property, plant and equipment 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
Motor car	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 life of the assets (10 years) whichever is shorter.

Medi Assist Insurance TPA Private Limited
Bengaluru

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.

Identified intangibles under business combination

Identifiable intangible assets are stated at cost less accumulated amortisation and impairment. Identifiable intangible assets are amortised over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Category of assets	Useful life (in years)
Customer contracts	10 years
Customer relationship	8 years

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

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. In addition the Company has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled receivables and other financial assets is adequate.

Impairment of non-financial assets

The Company assesses long-lived assets such as property, plant, equipment, right-of-use assets 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.

i. Leases

Policy applicable with effect from 1 April 2019
Company as a lessee
The Company's lease asset class primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset;
(ii) the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
(iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

In the comparative period, 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.

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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.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The Holding Company's eligible employees as defined in the "ESOS" scheme are entitled to ESOS of the Company. The Company recharges the compensation expenses relating to these share-based payments using fair value in accordance with Ind AS 102 Share-Based Payment to the Holding Company.

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 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 tax is recognised using the balance sheet approach. Deferred 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 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 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 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 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.

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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, cash in hand and short-term investments with an original maturity of three months 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") notifies new standard and amendments to existing standards. There is no such notification which would have been applicable from 1 April 2020.

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4 Property, plant and equipment

(Rs. in millions)

Particulars	Leasehold improvement	Furniture and fixtures	Office equipment	Computers	Electrical equipment	Motor car	Air conditioners	Total
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
Depreciation 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**
Gross carrying value								
Balance at 1 April 2019	56.47	40.45	42.63	147.79	13.20	-	19.48	320.02
Additions	27.31	26.26	16.88	27.21	4.69	-	3.27	105.62
Balance as at 31 March 2020	83.78	66.71	59.51	175.00	17.89	-	22.75	425.64
Accumulated depreciation								
Balance at 1 April 2019	21.69	9.78	19.59	88.81	2.83	-	4.35	147.05
Depreciation for the year	10.32	4.02	7.54	25.79	1.84	-	2.63	52.14
Balance as at 31 March 2020	32.01	13.80	27.13	114.60	4.67	-	6.98	199.19
Net carrying value at 31 March 2020	**51.77**	**52.91**	**32.38**	**60.40**	**13.22**	**-**	**15.77**	**226.45**

* Refer Note 33.

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5 Right-of-use assets

(Rs. in millions)

Particulars	Buildings	Total
Gross carrying value		
Balance at 1 April 2019	326.71	326.71
Additions	53.74	53.74
Termination	(2.81)	(2.81)
Balance as at 31 March 2020	377.64	377.64
Accumulated depreciation		
Balance at 1 April 2019	-	-
Depreciation for the year	75.82	75.82
Balance as at 31 March 2020	75.82	75.82
Net carrying value at 31 March 2020	**301.82**	**301.82**

Transition to Ind AS 116

The Company has adopted Ind AS 116, effective annual reporting period beginning from 1 April 2019 using the modified retrospective method with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

Company as a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most leases i.e. these leases are on balance sheet.
On transition, the Company has applied following practical expedients:

(1) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

(2) Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition and low value assets.

(3) Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition

(4) Grandfathered the assessment of transactions which contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(5) The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.00%.

(6) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company has also applied recognition exemptions of short-term leases to all categories of underlying assets.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use assets and finance cost for interest accrued on lease liabilities.

On transition to Ind AS 116 with effect from 1 April 2019, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of Rs. 320.30 million and a corresponding lease liability of Rs. 382.24 million was recognised. The cumulative effect on transition in retained earnings, net of taxes amounted to Rs. 43.90 (including deferred tax impact of Rs. 18.04 million). Refer table (b) below.
The principal portion of the lease payments have been disclosed under cash flows from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flows from operating activities. Applicable incremental borrowing rates have been applied to lease liabilities recognised in the balance sheet at the date of initial application. The weighted average incremental borrowing rate of 9.00% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily attributable to the impact of discounting the future lease payments during the non-cancellable lease term to the present value thereof, including the present value of lease payments during the cancellable period (to the extent of lease term determined under Ind AS 116) and exclusion of leases for which the Company has chosen to apply the practical expedients available. Refer table (a) below.

(a) Reconciliation of future minimum lease rental commitments towards non-cancellable operating leases as at 31 March 2019 with the lease liabilities recognised in the Balance sheet as at 1 April 2019:

(Rs in millions)

Particulars	As at 1 April 2019
Lease commitments	224.20
Adjustment on extension and termination options reasonably certain to be exercised	158.04
Lease liabilities recognised as at 1 April 2019	**382.24**

(b) Impact of adoption of Ind AS 116 on retained earnings:

(Rs. in millions)

Particulars	As at 1 April 2019
Increase in lease liabilities	(382.24)
Increase in right-of-use assets	320.30
Increase in deferred tax assets	18.04
Impact on retained earning as at 1 April 2019	**(43.90)**

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5 Right-of-use assets (continued)

A The following is the movement of lease liabilities during year ended 31 March 2020

(Rs. in millions)

Particulars	As at 31 March 2020
Balance at 1 April 2019	382.24
Additions	51.99
Deletions	(3.71)
Interest expense for the year	31.28
Repayment of lease liabilities	(98.05)
Balance at 31 March 2020	**363.75**

B The following is the break-up of lease liabilities

(Rs. in millions)

Particulars	As at 31 March 2020
Current lease liabilities	75.35
Non-current lease liabilities	288.40
	363.75

C The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Rs. in millions)

Particulars	As at 31 March 2020	As at 1 April 2019
Less than one year	-	74.78
One to five years	-	149.42
More than five years	-	-
	-	**224.20**

D Amount recognized in Statement of profit and loss

(Rs. in millions)

Particulars	For the year ended 31 March 2020
Interest on lease liabilities- presented under Finance costs	31.28
Expense relating to short-term leases and low value assets- presented under Other expenses- Rent	26.91
	58.19

During the year ended 31 March 2020, the Company incurred expenses amounting to Rs. 26.91 million for short-term leases and leases of low-value assets. For the year ended 31 March 2020, the total cash outflows for leases, including short-term leases and low-value assets amounted to Rs. 124.96 million.

Impact of the Global Pandemic ("COVID-19")

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors for buildings are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

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6 Goodwill

(Rs. in millions)

Particulars	Goodwill
Gross carrying value	
Balance as at 1 April 2018	175.22
Acquisition through business combination *	42.41
Balance as at 31 March 2019	217.63
Accumulated impairment	
Balance as at 1 April 2018	-
Amortisation for the year	-
Balance as at 31 March 2019	-
Net carrying value at 31 March 2019	**217.63**
Gross carrying value	
Balance as at 1 April 2019	217.63
Additions	-
Balance as at 31 March 2020	217.63
Accumulated impairment	
Balance as at 1 April 2019	-
Amortisation for the year	-
Balance as at 31 March 2020	-
Net carrying value at 31 March 2020	**217.63**

* Refer Note 33.

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-20	31-Mar-19
Discount rate	14.87%	18.65%
Terminal growth rate	4.00%	3.00%
Budgeted EBITDA growth rate	17.00%	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:

(i) Revenue growth has been projected taking into account the average growth rate levels experienced over past five yeas 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.

(ii) 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". The Company has performed sensitivity analysis for all key assumptions, including the cash flow projections consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19 and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount.

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7 Other intangible assets

(Rs. in millions)

Particulars	Software and licenses	Customer contracts	Customer relationship	Total
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
Amortisation for the year	3.63	31.28	1.90	36.81
Balance as at 31 March 2019	73.68	75.59	1.90	151.18
Net carrying value at 31 March 2019	**3.59**	**222.17**	**18.40**	**244.15**
Gross carrying value				
Balance as at 01 April 2019	77.27	297.76	20.30	395.33
Additions	4.02	-	-	4.02
Balance as at 31 March 2020	81.29	297.76	20.30	399.35
Accumulated amortisation				
Balance as at 01 April 2019	73.68	75.59	1.90	151.17
Amortisation for the year	3.83	29.94	2.55	36.32
Balance as at 31 March 2020	77.51	105.53	4.45	187.49
Net carrying value at 31 March 2020	**3.78**	**192.23**	**15.85**	**211.86**

* Refer Note 33.

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8 Non-current financial assets

8 (a) Loans receivables

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good, Unsecured		
Security deposits	30.28	22.80
Earnest money deposit	7.57	9.13
	37.85	**31.93**

8 (b) Other financial assets

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Bank deposits with more than 12 months maturity *	16.98	0.40
Interest accrued but not due on fixed deposits	0.26	0.02
	17.24	**0.42**

*Includes bank deposit of Rs. 16.94 million (31 March 2019: Rs. 0.40 million) placed with bank against which bank guarantee have been issued to insurance companies.

9 Deferred tax assets (net)

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax assets		
Provision for employee benefits	21.87	19.66
Lease liabilities	91.55	-
Allowance for expected credit loss and doubtful receivables	18.80	15.25
Other items	3.94	1.21
Total deferred tax assets	**136.16**	**36.12**
Deferred tax liabilities		
Excess depreciation provided as per income tax law over books of account	54.87	55.95
Right-of-use assets	75.96	-
Temporary difference arising from fair value adjustment of financial assets and liabilities, net	2.61	11.38
Total deferred tax liabilities	**133.44**	**67.33**
Deferred tax assets/ (liabilities) (net)	**2.72**	**(31.21)**

10 Income tax asset, net of provision

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance tax and tax deducted at source, net of provisions	602.52	497.11
	602.52	**497.11**

11 Other non-current assets

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	-	5.56
Capital advances	-	0.16
	-	**5.72**

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Current assets

12 Financial assets

12 (a) Investments

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Investments in mutual funds - Unquoted- (Fair Value through profit and loss)		
Franklin India Short Term Income Plan - Retail plan [Nil units (31 March 2019: 58,243 units)]	-	232.81
Reliance Regular Saving Fund Debt Plan - Growth [1,559,009 units (31 March 2019: 7,571,035 units)]	0.23	195.17
Reliance Liquid Fund - Daily Dividend Option Dividend Reinvestment (LFIDR) [Nil units (31 March 2019: 55,737.15 units)]	-	85.24
Kotak Medium Term Fund - Growth plan [Nil units (31 March 2019: 4,987,767 units)]	-	76.23
Kotak Corporate Bond Fund standard growth (Regular plan) [18,098.16 units (31 March 2019: Nil units)]	48.70	-
Axis Short Term Fund - Regular Growth [1,00,51,347.06 units (31 March 2019: Nil units)]	222.53	-
ICICI Prudential Short term Fund - Growth option [3,441,065 units (31 March 2019: 1,408,204 units)]	145.11	40.06
DHFL Pramerica Credit Opportunities Fund - Regular growth [Nil units (31 March 2019: 2,271,925 units)]	-	32.91
Kotak - Credit Risk Fund - Regular Plan Growth [Nil units (31 March 2019: 1,061,547 units)]	-	21.60
LIC Liquid Fund - Direct-Growth Plan [Nil units (31 March 2019: 5,948.21 units]	-	20.15
	416.57	**704.17**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments and market value thereof	416.57	704.17
Aggregate amount of impairment in value of investments	-	-

12 (b) Trade receivables

(Rs in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good - Unsecured	622.35	656.50
Credit impaired	49.08	40.08
Total receivables	**671.43**	**696.58**
Less: Allowance for expected credit losses	(49.08)	(40.08)
	622.35	**656.50**
a) Due date based aging		
Debts outstanding for period exceeding six months from the date they become receivable	339.19	271.19
Other debts	332.24	425.39
	671.43	**696.58**

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12 Financial assets (continued)

12 (c) Cash and cash equivalents

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.26	0.16
Balances with banks		
- In current accounts	89.70	80.21
- In float accounts *	-	7.44
	89.96	**87.81**
Balances with banks		
- On float accounts *	-	(7.44)
Cash and cash equivalents	**89.96**	**80.37**

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

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

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity of more than three months but less than 12 months	245.92	25.70
	245.92	**25.70**

(a)(i) Includes bank deposit of Rs. 9.42 million (31 March 2019: Rs 22.53 million) placed with bank against which bank guarantee have been issued to insurance companies.

(a)(ii) Includes bank deposit of Rs. 236.5 million (31 March 2019: Nil) which are under lien with bank towards overdraft facility availed by the Holding Company.

12 (e) Loans receivables

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good - Unsecured		
Security deposits	12.69	10.71
Credit impaired		
Security deposits	0.08	0.08
Less: Provision for security deposits	(0.08)	(0.08)
	12.69	**10.71**

12 (f) Others financial assets

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good - Unsecured		
Accrued interest income	1.85	1.55
Other receivables*	28.23	27.72
Unsecured, considered doubtful		
Other receivables	14.87	12.23
Less: Provision for other receivables	(14.87)	(12.23)
	30.08	**29.27**

* Refer Note 36.

13 Other current assets

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good - Unsecured		
Balances with government authorities	36.21	14.45
Advances to suppliers	20.84	42.39
Advances to employees	2.46	1.54
Prepaid expenses	18.44	13.48
Considered doubtful - Unsecured		
Advance to supplier	10.70	-
Less: Provision for advance to supplier	(10.70)	-
	77.95	**71.86**

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14 Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised:		
6,020,000 (31 March 2019: 6,020,000) equity shares of Rs. 10 each *	60.20	60.20
	60.20	**60.20**
Issued and Subscribed and Paid-up:		
4,012,370 (31 March 2019: 4,012,370) equity shares of Rs. 10 each	40.12	40.12
	40.12	**40.12**

(* Effect of increase in authorised share capital by Rs. 20 million upon merger order dated 6 April 2018 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 31 March 2020		As at 31 March 2019	
	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.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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 31 March 2020		As at 31 March 2019	
	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 31 March 2020		As at 31 March 2019	
	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 31 March 2020		As at 31 March 2019	
	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 29.

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.

g) The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans, long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

15 Other equity

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Retained earnings	1,712.49	1,791.71
Employee stock option outstanding account	21.57	21.57
Other items of other comprehensive income	(15.98)	(7.83)
	1,718.08	**1,805.45**

During the year the Company had declared and paid interim dividend of Rs. 229.77 million (including tax on dividend).

(a) Retained earnings

Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

(b) 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 futher details Refer Note 29 for Employee stock option scheme details.

(c) Other items of other comprehensive income

Other items of other comprehensive income consist of net defined benefit liability/ asset.

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16 Provisions (non-current)

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits:		
Gratuity *	61.93	49.06
	61.93	**49.06**

* Refer Note 28.

17 Current financial liabilities

17 (a) Trade payables

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues to micro, small and medium enterprises*	-	-
Total outstanding dues to creditors other than micro, small and medium enterprises**	188.80	226.01
	188.80	**226.01**

* Refer Note 37.
** Refer Note 36.

17 (b) Other financial liabilities

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Employee benefits payable *	23.27	18.39
Insurer's float balance	-	5.77
Creditors towards other expenses **	26.16	31.39
Creditors for capital goods	8.46	5.04
Other payables	0.96	6.47
Accrued expenses *	122.94	125.51
	181.79	**192.57**

* Refer Note 36.

** Includes Rs. 0.48 million payable to micro, small and medium enterprises. Refer Note 37.

18 Other current liabilities

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance received from customers	-	1.11
Statutory liabilities	151.93	99.39
	151.93	**100.50**

19 Provisions (current)

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits:		
Employee compensated absences	3.20	2.84
Gratuity *	21.78	15.62
	24.98	**18.46**

* Refer Note 28.

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20 Revenue from operations

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of services :		
Third Party Administration (TPA) fees	3,122.33	2,865.78
Card processing income	201.02	52.98
Add: opening unearned income	984.23	839.59
	4,307.58	3,758.35
Less: closing unearned income	1,100.33	984.23
Income from sale of services	3,207.25	2,774.12
Other operating revenue:		
Income from facilitating pre-policy check up services	34.01	22.48
	3,241.26	**2,796.60**

(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:

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Major products/ service lines		
Income from services	3,040.24	2,743.62
Income from card processing	201.02	52.98
	3,241.26	**2,796.60**
Timing of transfer of goods and services		
Services transferred over time	3,006.23	2,721.14
Services transferred point in time	235.03	75.46
	3,241.26	**2,796.60**
Contract counterparties		
Government customers	766.89	529.01
Others	2,474.37	2,267.59
	3,241.26	**2,796.60**

(B) Contract balances

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

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	622.35	656.50
Contract liabilities	1,100.33	984.23

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

Contract assets are initially recognised for revenue earned from TPA services as receipt of consideration is conditional on successful completion of performance obligation. Upon completion of performance obligation and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

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:

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Movement in contract liabilities:		
Opening balance	984.23	-
Revenue recognised that was included in the contract liability balance at the beginning of the year	(984.23)	-
Increases due to cash received, excluding amounts recognised as revenue during the year	1,100.33	984.23
Closing balance	**1,100.33**	**984.23**

(C) Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Within 1 year	1,100.14	984.04
1-3 years	0.19	0.19
More than 3 years	-	-
	1,100.33	**984.23**

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on such evaluation. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

21 Other income

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net gain on financial assets measured at FVTPL	10.37	20.37
Interest on income tax refund	17.47	0.84
Profit on sale of investment in mutual funds	15.61	12.35
Provision no longer required written back	7.45	-
Interest on term deposits	3.89	1.88
Dividend income	2.66	2.38
Interest income on financial assets at amortised cost	1.33	1.09
Miscellaneous income	1.48	0.04
	60.26	**38.95**

22 Employee benefits

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, bonus and allowances	1,084.31	849.69
Contribution to provident and other funds	91.49	79.44
Employee stock option compensation cost (net)	-	4.11
Staff welfare expenses	30.84	24.73
	1,206.64	**957.97**

23 Finance costs

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on lease liabilities	31.28	-
Bank guarantee commission	0.30	0.41
Other interest costs	0.08	1.24
	31.66	**1.65**

24 Depreciation and amortisation

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on right-of-use assets	75.82	-
Depreciation of property, plant and equipment	52.14	44.90
Amortisation of intangible assets	36.32	36.81
	164.28	**81.71**

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25 Other expenses

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Software subscription charges	311.66	337.12
Sub-contracting expenses	288.62	253.80
Enrolment card charges	198.91	52.68
Business support services	175.43	187.02
Legal and professional	135.79	76.70
Printing and stationery	111.72	80.43
Travelling and conveyance	73.67	79.62
Postage and communication	71.57	85.81
Repair and maintenance	63.15	51.19
Power and fuel charges	39.54	31.41
Claims disallowed	27.25	35.46
Rent *	26.91	114.04
Security expenses	16.36	13.66
Insurance awareness initiatives	11.29	11.62
Provision for doubtful advances	10.70	-
Provision for doubtful receivables	10.08	-
Corporate social responsibility (Refer Note 34)	9.47	6.71
Allowance for expected credit losses (net)	9.00	-
Housekeeping charges	6.98	6.48
Insurance	2.75	1.22
Auditors' remuneration **	2.00	1.90
Rates and taxes	1.46	1.72
Seminar, training and conference expenses	1.18	0.30
Bad debts written off	0.08	2.93
Director sitting fees	0.25	0.10
Miscellaneous expenses	0.37	1.59
	1,606.19	**1,433.51**

* Represents lease rentals for short term leases and leases of low-value assets for the year ended 31 March 2020.

** Auditors' remuneration (excluding Goods and services tax)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	1.80	1.70
Tax audit fees	0.10	0.10
Other services (certification fees)	0.10	0.10
	2.00	**1.90**

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26 Contingent liabilities and commitments

(Rs in millions)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
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. [Amount paid to Income tax authority under protest of Rs. 55.02 million (31 March 2019: Rs. 55.02 million)]	(a)	55.02	55.02
Demands raised by income-tax authorities for assessment years 2017-18 on account of disallowance of amortisation on goodwill and disallowance u/s 14A to the extent applicable [Amount paid to Income tax authority under protest of Rs. 8.02 million (31 March 2019: Nil)]	(b)	20.75	-
Claims against the Company not acknowledged		-	0.82
Employee Provident fund	(c)	-	-
Commitments:			
Estimated amount of contracts, remaining to be executed on capital account and not provided for		3.50	0.49

Notes:

(a) 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.

(b) During the year the Company received Assessment order for Assessment Year (AY) 2017-18 with tax demand of Rs. 40.10 million, the Assessing Officer has disallowed the following expense:
(i) Depreciation of Rs. 117.66 million on intangible assets
(ii) Disallowance under section 14A of Rs. 0.05 million
The above expenses were claimed as eligible expenses by the Company considering these are assets acquired at fair market value of the business, therefore the goodwill represents the consideration paid in excess of book value of net assets taken over as a part of merger of M/s Dedicated Healthcare Services TPA Pvt Ltd w.e.f 1 October 2016 with the Company. The Company has filed an appeal against the order with Commissioner of Income Tax (Appeals) by depositing amount paid under protest of Rs. 8.02 million and the management believes that the positive outcome will be in favour of the Company.

The Company has appealed with respect to tax demand and interest thereon with Commissioner of Income Tax (Appeals). The Company is confident of obtaining favorable order and accordingly no provision has been created. [Net of amount paid to Income tax authority under protest of Rs. 0.6 million (31 March 2019: Nil)]
Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly, no additional provision is required for these matters.

(c) In light of recent judgment of Honorable Supreme Court dated 28 February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods. 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.

27 Earnings per share ("EPS")

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to ordinary shareholders		
Net profit for the year attributable to the equity share holders (a)	194.45	247.80
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)	4,012,370	4,098,627
Basic earning per share of Rs. 10/- each [a/b]	48.46	61.76
Diluted earning per share of Rs 10/- each [a/c]	48.46	60.46

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 2020	For the year ended 31 March 2019
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
Weighted average number of equity shares outstanding during the period for calculation of diluted EPS	4,012,370	4,098,627

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Medi Assist Insurance TPA Private Limited
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28 Employee benefits

The Company contributes to the following post-employment plans.

a. Defined contribution plan:

The contributions paid/ payable to Employee 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 employee provident fund and employee state insurance for the year aggregated to Rs. 76.60 million (31 March 2019: Rs. 61.41 million).

b. Defined benefit plan:

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:

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	91.00	71.65
Fair value of plan assets	(7.29)	(6.97)
Net defined benefit obligation	**(83.71)**	**(64.68)**
Current liabilities	(21.78)	(15.62)
Non-current liabilities	(61.93)	(49.06)

(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

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	71.65	50.16
Addition on business combination	-	6.65
Current service cost	13.43	10.80
Interest cost	4.73	3.43
Benefits paid by the plan	(8.95)	(8.51)
Actuarial (gains)/ losses recognised in other comprehensive income		
Changes in demographic assumptions	-	0.49
Changes in financial assumptions	3.57	(2.05)
Experience adjustment	6.57	10.68
Balance at the end of the year	**91.00**	**71.65**

Reconciliation of present value of plan assets

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	(6.97)	(0.23)
Addition on business combination	(2.86)	(6.65)
Contributions paid by the employer	(6.60)	(8.49)
Benefits paid	8.95	8.51
Interest income	(0.55)	(0.28)
Return on planned assets recognised in other comprehensive income		
Re-measurements on Plan Assets – Loss/ (Gain)	0.75	0.17
Balance at the end of the year	**(7.29)**	**(6.97)**

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28 Employee benefits (continued)

Expense recognised in the Statement of Profit and Loss

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	13.43	10.80
Interest cost	4.73	3.43
Interest income	(0.55)	(0.28)
	17.61	**13.95**

Expense recognised in Other Comprehensive Income

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Changes in demographic assumptions	-	0.49
Changes in financial assumptions	3.57	(2.05)
Experience adjustment	6.57	10.68
Re-measurements on Plan Assets – Gain/ (loss)	0.75	0.18
	10.89	**9.30**

ii. Plan assets

Plan assets comprise the following

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Managed by - Reliance Nippon Life Insurance and Life Insurance Corporation	7.29	6.97
	7.29	**6.97**

The 100% of the plan assets have been invested with Insurance Company in non-unit linked.

The Company expects to pay Rs. 14 million in its contribution to Defined benefit plan in financial year 2020-21.

iii. Actuarial assumptions

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

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	5.10%	6.60%
Expected return	6.60%	6.84%
Future salary growth	8.00%	8.00%
Rate of employee turnover	38.00%	38.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables

iv. Sensitivity analysis

(Rs in millions)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.46)	2.60	(1.91)	2.01
Future salary growth (1% movement)	2.50	(2.42)	1.97	(1.90)
Rate of employee turnover (1% movement)	(0.52)	0.53	(0.37)	0.38

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 2020		As at 31 March 2019	
	Discounted	Undiscounted	Discounted	Undiscounted
1st following year	38.30	39.26	30.47	31.46
2nd following year	25.93	27.94	21.69	23.87
3rd following year	17.87	20.23	14.91	17.49
4th following year	12.98	15.45	10.25	12.82
5th following year	8.97	11.22	7.10	9.40
Thereafter	24.21	34.51	18.54	29.61

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29 Employee share based payment

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 and employees of Holding 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 2020

(Amount in Rs.)

Particulars	Date of grants	Number of option granted	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 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 lapsed 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**

For the year ended 31 March 2020

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 2019	86,257	140 - 1,505	709	1.00
Add: Options granted during the year	-	-	-	-
Less: Options cancelled during the year	-	-	-	-
Options outstanding at 31 March 2020	**86,257**	**140 - 1,505**	**709**	**1.00**
Exercisable options at 31 March 2020	**86,257**	**140 - 1,505**	**709**	**1.00**

* The Company during the year ended 31 March 2019 partially cancelled the ESOP grants based on the mutual agreement with the employees for settlement through cash. The cash consideration towards 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 share 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 22.

Medi Assist Insurance TPA Private Limited
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30 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.

(Rs. in millions)

As at 31 March 2020	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Loans receivables	-	-	37.85	37.85	-	-	-	-
Other financial assets	-	-	17.24	17.24	-	-	-	-
Current								
Investments	416.57	-	-	416.57	416.57	-	-	416.57
Trade receivables	-	-	622.35	622.35	-	-	-	-
Unbilled receivables	-	-	718.10	718.10	-	-	-	-
Cash and cash equivalents	-	-	89.96	89.96	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	245.92	245.92	-	-	-	-
Loans receivables	-	-	12.69	12.69	-	-	-	-
Other financial assets	-	-	30.08	30.08	-	-	-	-
	416.57	**-**	**1,774.19**	**2,190.76**	**416.57**	**-**	**-**	**416.57**
Financial liabilities								
Non-current								
Lease liabilities	-	-	288.40	288.40	-	-	-	-
Current								
Lease liabilities	-	-	75.35	75.35	-	-	-	-
Trade payables	-	-	188.80	188.80	-	-	-	-
Other financial liabilities	-	-	181.79	181.79	-	-	-	-
	-	**-**	**734.34**	**734.34**	**-**	**-**	**-**	**-**

(Rs. in millions)

As at 31 March 2019	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current								
Loans receivables	-	-	31.93	31.93	-	-	-	-
Other financial assets	-	-	0.42	0.42	-	-	-	-
Current								
Investments	704.17	-	-	704.17	704.17	-	-	704.17
Trade receivables	-	-	656.50	656.50	-	-	-	-
Unbilled receivables	-	-	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 financial assets	-	-	29.27	29.27	-	-	-	-
	704.17	**-**	**1,534.00**	**2,238.17**	**704.17**	**-**	**-**	**704.17**
Financial liabilities								
Current								
Trade and other payables	-	-	226.01	226.01	-	-	-	-
Other financial liabilities	-	-	192.57	192.57	-	-	-	-
	-	**-**	**418.58**	**418.58**	**-**	**-**	**-**	**-**

B. Measurement of fair values

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

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

b) All other financial assets except mutual funds and financial liabilities are recognised at amortised cost. Hence, there are no financial assets/ liabilities classified under Level 2 and Level 3.

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;
- Liquidity risk and
- Currency 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:

a. Trade receivables and other receivables

b. Cash and cash equivalents and other bank balances

c. Guarantee given on behalf of Holding Company to bank

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

C. Financial risk management (continued)

ii. Credit risk (continued)

(a) Trade receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. 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 receivables 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 receivables.

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

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	671.43	696.58
	671.43	**696.58**

Impairment

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

(Rs. in millions)

	As at 31 March 2020	As at 31 March 2019
Neither past due nor impaired	217.88	286.50
0-90 days	83.96	65.75
91-180 days	30.40	73.14
181-365 days	54.64	148.11
> 365 days	284.55	123.08
	671.43	**696.58**

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 2020	As at 31 March 2019
Balance at the beginning of the year	40.08	45.05
Impairment loss recognized	9.08	-
Amounts written off	0.08	4.97
Balance at the end of the year	**49.08**	**40.08**

Impact of COVID-19

Trade receivables, unbilled receivables and other receivables forms a significant part of the financial assets carried at amortized cost which is valued considering provision for allowance using expected credit loss (ECL) method. In addition to the historical pattern of credit loss, we have evaluated the likelihood of increased credit risk and consequential default considering emerging COVID-19 situation. This assessment considers the current collection pattern across business lines and the financial strength of customers. The Company is closely monitoring the developments across various business lines. Basis this assessment, provision made towards ECL is considered adequate.

(b) Cash and cash equivalents and other bank balances

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

(c) Guarantee given behalf of Holding Company to bank

The credit risk on financial guarantee contract for the Corporate guarantee given to HDFC Bank Limited is remote. Refer Note 11(d)(a)(ii) .

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 2020 *(Rs. in millions)*

Particulars	Carrying amount	Contractual cash flows				
		0-12 months	1-2 years	2-5 years	More than 5 years	Total
Financial liabilities						
Lease liabilities	363.75	105.85	98.33	226.95	10.72	441.85
Trade payables	188.80	188.80	-	-	-	188.80
Other current financial liabilities	181.79	181.79	-	-	-	181.79
	734.34	**476.44**	**98.33**	**226.95**	**10.72**	**812.44**

As at 31 March 2019 *(Rs. in millions)*

Particulars	Carrying amount	Contractual cash flows				
		0-12 months	1-2 years	2-5 years	More than 5 years	Total
Financial liabilities						
Trade payables	226.01	226.01	-	-	-	226.01
Other current financial liabilities	192.57	192.57	-	-	-	192.57
	418.58	**418.58**	-	-	-	**418.58**

iv. Currency risk

The Company primarily renders services and avails goods and services in domestic currency i.e. Indian rupees. Hence, no exposure to currency risk.

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31 Movement in deferred tax

i. Movement in deferred tax balances for the year ended 31 March 2019

(Rs. in millions)

Particulars	Deferred tax assets/ (liabilities) as at 31 March 2018	Recognised in equity	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Deferred tax assets/ (liabilities) as at 31 March	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, advance and receivables	19.85	-	(4.60)	-	15.25	15.25	-
Investments	(5.63)	-	(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	-
	(10.24)	**-**	**(22.83)**	**2.71**	**(31.21)**	**36.12**	**67.33**

ii. Movement in deferred tax balances for the year ended 31 March 2020

(Rs. in millions)

Particulars	Deferred tax assets/ (liabilities) as at 31 March 2019	Recognised in equity	Deferred tax assets/ (liabilities) as at 1 April 2019	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Deferred tax assets/ (liabilities) as at 31 March 2020	Deferred tax assets	Deferred tax liabilities
Property plant and equipment and intangible assets	(55.95)	-	(55.95)	1.08	-	(54.87)	-	54.87
Right-of-use assets	-	(93.27)	(93.27)	17.31	-	(75.96)	-	75.96
Lease liabilities	-	111.31	111.31	(19.76)	-	91.55	91.55	-
Employee benefits	19.66	-	19.66	(0.53)	2.74	21.87	21.87	-
Provision for doubtful debts, advance and receivables	15.25	-	15.25	3.55	-	18.80	18.80	-
Investments	(11.38)	-	(11.38)	8.77	-	(2.61)	-	2.61
Security deposit	0.02	-	0.02	1.30	-	1.32	1.32	-
Temporary differences on expenses	1.19	-	1.19	1.43	-	2.62	2.62	-
	(31.21)	**18.04**	**(13.17)**	**13.15**	**2.74**	**2.72**	**136.16**	**133.44**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

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32 Tax expense

(a) Amount recognised in Statement of Profit and Loss

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	92.06	90.08
Taxes for earlier year	19.39	-
Deferred tax (credit)/ charge	(13.15)	22.83
Tax expense for the year	**98.30**	**112.91**

(b) Amounts recognised in Other Comprehensive Income

(Rs. in millions)

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Items that will not be reclassified to statement of profit and loss						
Re-measurement of defined benefit (assets)/ liabilities	(10.89)	2.74	(8.15)	(9.30)	2.71	(6.59)
	(10.89)	**2.74**	**(8.15)**	**(9.30)**	**2.71**	**(6.59)**

(c) Reconciliation of effective tax rate

(Rs. in millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax	292.75	360.71
Domestic tax rate	25.168%	29.120%
Tax using company's domestic rate	73.68	105.04
Tax effect of:		
Exempt income	(0.67)	(0.69)
CSR expenses	2.38	1.95
Origination and reversal of temporary difference	-	4.01
Income tax expense for earlier year	19.39	-
Tax rate change	3.52	-
Other permanent differences	-	1.40
	98.30	**111.71**
Current tax	92.06	90.08
Taxes for earlier year	19.39	-
Deferred tax (credit)/ charge	(13.15)	22.83

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33 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	7	2.30
Customer relationship	7	20.30
Other intangible assets	7	0.09
Loans receivable		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	6	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. 42.41 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 merged statement of profit and loss for the reporting period amounted to Rs. 114.70 million and Rs. 1.30 million 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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34 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 year Rs. 9.47 million (31 March 2019: Rs. 6.71 million) was spent towards the CSR activities.

a) Gross amount required to be spent by the Company for the year was Rs. 7.16 million (31 March 2019: Rs 6.54 million).
b) Amount spent during the year:

For the year ended 31 March 2020

(Rs. in millions)

Particulars	Amount paid	Not paid	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	9.47	-	9.47
	9.47	-	9.47

For the year ended 31 March 2019

(Rs. in millions)

Particulars	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

35 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.

36 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
(ii) Key Management Personnel	Dr. Vikram Jit Singh Chhatwal - Whole time Director Mr. Satish Venkata Naga Gidugu- Director Mr. Dayanand Annaya Kallianpur- Director- resigned w.e.f 18 March 2020 Mr. Prasad Venkatasiva Tatineni- Director- resigned w.e.f 19 March 2020 Mr. Raghaw Sharan Pandey - Independent Director- resigned w.e.f 19 March 2020 Mr. Mr. Avalur Gopalaratnam Muralikrishnan- Independent Director- resigned w.e.f 31 March 2020 Mrs. Mrs. Srimathi Ranganathan- Non- Executive Director

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

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Support service fee paid to		
Medi Assist Healthcare Services Limited	225.17	217.76
Software subscription charges paid to		
Medi Assist Healthcare Services Limited	301.42	313.54
Reimbursement of expenses to		
Medi Assist Healthcare Services Limited		
Health screenings	162.16	126.45
Facilities and other expenses	46.03	34.21
Share based payment expenses cross charged to		
Medi Assist Healthcare Services Limited	-	11.22
Dividend paid		
Medi Assist Healthcare Services Limited	190.59	-
Corporate guarantee given		
Medi Assist Healthcare Services Limited	300.00	-
Guarantee income		
Medi Assist Healthcare Services Limited	0.50	-
Director sitting fees	0.25	0.10
Remuneration to Key Managerial Personnel		
Short term employee benefits*	18.60	11.91
Sub-contracting charges	5.76	-

*As the liability for gratuity compensated absence is provided on an actuarial basis for the Company as a whole, the amount pertaining to Director is not ascertainable and, therefore not included above.

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Medi Assist Insurance TPA Private Limited Bengaluru

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36 Related party disclosures (continued)

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

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Amount payable towards rendering of services		
Medi Assist Healthcare Services Limited	102.65	136.69
Other financial liabilities		
Accrued expenses	18.21	-
Other financial liabilities		
Employee benefits payable	3.60	-
Other receivables		
Medi Assist Healthcare Services Limited	28.23	27.72

37 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 2020 and 31 March 2019 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.

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

(Rs. in millions)

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal	0.48	-
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.	-	-

38 In the month of July 2019 the Company during its internal reconciliation process review, identified certain mismatches in the cashless insurance claim settlement process, where the payments made by the Insurance Company to some of the hospitals that are part of a Government Insurance Scheme could not be reconciled and matched with the corresponding hospital records. On further investigation, it was found that two of the employees of the Company gained unauthorized access to the insurance company's system login and made changes to the hospital bank account details. The employees misappropriated an amount of Rs. 13.13 million includes amounts for previous years starting from 2015-16 using this unauthorized access. During the internal inquiry, both the employees confessed to misappropriating the funds, subsequently, both the employees were terminated from their services.

On informing the Insurance Company about the incident, the Insurance Company raised a demand of Rs. 13.13 million on 24 October 2019. In accordance with the terms of service agreement as a TPA the employees of Medi Assist do not have any access to the process of making any changes to the bank account numbers in the master database of the Insurance Company System. The Company agreed to deposit the entire amount with the Insurance Company so that the impacted hospitals are not deprived of funds.

The Company filed a complaint before the Commissioner of Police on 10 September 2019. The Police have registered the FIR and are in process of filing charge sheet. Of the aforesaid amount the Company has recovered an amount of Rs. 3 million till date. Further, the Company has formally lodged an insurance claim under the relevant Insurance policies relating to this matter and the claim is being reviewed by the Insurer.

39 On 11 March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. In addition the Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The Company will continue to closely monitor any material changes to future economic conditions

40 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

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Medi Assist Insurance TPA Private Limited ★ Bengaluru

41 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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Vikash Gupta
Partner
Membership Number: 064597

Place: Bengaluru
Date: 12 August 2020

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: 12 August 2020

Satish Venkata Naga Gidug
Whole-time Director
DIN : 06643677

Place: Bengaluru
Date: 12 August 2020

Suchitra Krishnakumar
Company Secretary
Membership Number: A29245

Place: Bengaluru
Date: 12 August 2020

Medi Assist Insurance TPA Private Limited
Bengaluru