Medi Assist Insurance TPA Private Limited

Independent Auditors Report

31 March 2018

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B S R & Co. LLP
Chartered Accountants

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Bangalore 560 071 India

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Independent Auditor's Report

To the Members of Medi Assist Insurance TPA Private Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Medi Assist Insurance TPA Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the statement of Changes in Equity and the statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information, (herein after referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit 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") prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Independent Auditor's Report (continued)

To the Members of Medi Assist Insurance TPA Private Limited (continued)

Auditor's Responsibility (continued)

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Independent Auditor's Report (continued)

To the Members of Medi Assist Insurance TPA Private Limited (continued)

Emphasis of Matter

We draw attention to Note 32 to the Ind AS financial statement regarding the Scheme of Arrangement ("Scheme") which has been approved by the Hon'ble Regional Director vide its order dated 6 April 2018. The Company has given effect to the Scheme from the appointed date specified in the Scheme i.e. 1 October 2016 which is also the acquisition date and accordingly the prior period financial information has been restated from the appointed date. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss, the statement of cash flow and statement of changes in equity dealt with by this report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer note 24 to the Ind AS financial statements ;

Independent Auditor's Report (continued)

To the Members of Medi Assist Insurance TPA Private Limited (continued)

Report on Other Legal and Regulatory Requirements (continued)

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

iii. There were no amounts which 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 since they do not pertain to the financial year ended 31 March 2018. However amounts appearing in the audited Ind AS financial statements for the year ended 31 March 2017 have been disclosed.

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

Arjun Ramesh
Partner
Membership number: 218495

Place: Bengaluru
Date: 29 May 2018

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

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 the Ind AS financial statements for the year ended 31 March 2018, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets 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 fixed assets were physically verified during the year and no material discrepancies were noted.

(c) According to the information and explanations given to us, the Company does not have any immovable property.

(ii) The Company is a service company, primarily rendering Third Party Administration and related services. Accordingly, it does not hold any physical inventories.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) According to the information and explanations given to us, the Company has not granted loans, investments, guarantees, and security to companies, firms or other parties and section 185 and 186 of the Act is not applicable to the Company.

(v) The Company has not accepted any deposits.

(vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax dues, Service tax, Goods and Service tax, Cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Value added tax, Customs duty and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax dues, Service tax, Goods and Service tax, Cess and other statutory dues were in arrears, as at 31 March 2018, for a period of more than six months from the date they became payable.

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

Name of the 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	2003-04 to 2009-10	High Court, Karnataka
Income Tax Act, 1961	Income tax and interest thereon	25.92	25.92	2011-12	Commissioner of Income Taxes (Appeals), Bangalore

(viii) The Company does not have any loans or borrowings from any financial institution, bank, government, or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations 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 provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

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

(xiv) 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.

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

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

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Arjun Ramesh
Partner
Membership No. 218495

Place: Bengaluru
Date: 29 May 2018

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statement of Medi Assist Insurance TPA Private Limited

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Medi Assist Insurance TPA Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Ind AS financial statements was established and maintained and if 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 system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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 system with reference to Ind AS financial statements.

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statement of Medi Assist Insurance TPA Private Limited (continued)

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to Ind AS 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 ICAI.

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

Arjun Ramesh
Partner
Membership number: 218495

Place: Bengaluru
Date: 29 May 2018

Medi Assist Insurance TPA Private Limited
Balance Sheet
(All amounts are in Indian Rupees millions except share data and per share data, unless otherwise stated)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	125.18	76.63	37.78
Goodwill	5	175.22	175.22	-
Other intangible assets	6	254.16	282.05	0.41
Financial assets	7			
Loans	7 (a)	23.81	17.96	11.65
Others financial assets	7 (b)	55.32	1.50	84.75
Other non-current assets	8	342.78	297.73	268.44
Deferred tax assets (net)	9	-	5.31	55.62
Total non-current assets		**976.47**	**856.40**	**458.65**
Current assets				
Financial assets	10			
Investments	10 (a)	648.83	437.41	348.81
Trade receivables	10 (b)	736.65	534.71	248.93
Cash and cash equivalents	10 (c)	63.33	135.64	334.37
Bank balances other than cash and cash equivalents above	10 (d)	6.01	89.12	221.55
Loans	10 (e)	20.01	29.13	25.37
Others financial assets	10 (f)	665.43	697.95	553.32
Other current assets	11	106.59	21.96	16.25
Total current assets		**2,246.85**	**1,945.92**	**1,748.60**
Total assets		**3,223.32**	**2,802.32**	**2,207.25**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	40.12	40.12	40.12
Other equity	13	1,626.13	1,312.76	1,111.32
Total equity		**1,666.25**	**1,352.88**	**1,151.44**
LIABILITIES				
Non-current liabilites				
Provisions	14	32.35	33.06	14.55
Deferred tax liabilities (net)	9	11.09	-	-
Total non-current liabilities		**43.44**	**33.06**	**14.55**
Current liabilities				
Financial liabilities	15			
Trade payables	15 (a)	275.11	206.62	155.34
Other financial liabilities	15 (b)	270.66	282.18	237.28
Other current liabilities	16	942.49	907.30	633.83
Provisions	17	25.37	20.28	14.81
Total current liabilities		**1,513.63**	**1,416.38**	**1,041.26**
Total liabilities		**1,557.07**	**1,449.44**	**1,055.81**
Total equity and liabilities		**3,223.32**	**2,802.32**	**2,207.25**

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

Arjun Ramesh
Partner
Membership No.: 218495

Place: Bengaluru
Date: 29 May 2018

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

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

Place: Bengaluru
Date: 29 May 2018

Satish Gidugu
Director
DIN : 06643677

Place: Bengaluru
Date: 29 May 2018

Medi Assist Insurance TPA Private Limited
Bangalore

Medi Assist Insurance TPA Private Limited
Statement of profit and loss
(All amounts are in Indian Rupees millions except share data and per share data, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from operations	18	2,601.63	2,166.34
Other income	19	51.90	79.01
Total income		**2,653.53**	**2,245.35**
Expenses			
Employee benefits	20	794.86	735.28
Other expenses	23	1,362.73	1,158.57
Total expenses		**2,157.59**	**1,893.85**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**495.94**	**351.50**
Finance costs	21	0.65	6.28
Depreciation and amortisation	22	64.02	43.14
Total expenses		**2,222.26**	**1,943.27**
Profit before tax for the year		**431.27**	**302.08**
Income tax expense/(credit):	30		
Current tax		131.61	55.31
Income tax (credit) for earlier years		(18.56)	(9.12)
Deferred tax charge		16.94	59.10
		129.99	**105.29**
Profit after tax for the year		**301.28**	**196.79**
Other comprehensive income			
Items that will not be reclassified to statement of the profit and loss			
Re-measurement of defined benefit liabilities		(1.62)	(4.75)
Income tax relating to items that will not be reclassified to statement of profit and loss		0.56	1.64
Total other comprehensive income for the year		**(1.06)**	**(3.11)**
Total comprehensive income for the year, net of income tax		**300.22**	**193.68**
Earnings per equity share	25		
Basic		75.09	49.05
Diluted		74.03	48.41

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

Arjun Ramesh
Partner
Membership No.: 218495

Place: Bengaluru
Date: 29 May 2018

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

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

Place: Bengaluru
Date: 29 May 2018

Satish Gidugu
Director
DIN : 06643677

Place: Bengaluru
Date: 29 May 2018

Medi Assist Insurance TPA Private Limited
Bangalore

Medi Assist Insurance TPA Private Limited
Statement of cash flows for the year ended 31 March 2018
(All amounts are in Indian Rupees millions except share data and per share data, unless otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from operating activities		
Profit before tax	431.27	302.08
Adjustments:		
Depreciation and amortization	64.02	43.14
Provision for doubtful debts	15.34	3.37
Provision for doubtful claims and advances	-	-
Employee stock option compensation cost	3.92	1.67
Finance costs	0.65	6.28
Sundry balances written back	(4.74)	(7.14)
Profit on sale of mutual fund investments	(19.00)	(16.25)
Interest income	(13.40)	(36.39)
Net loss/(gain) on financial assets measured at fair value through profit or loss	0.22	(9.92)
Dividend received	(14.64)	(9.22)
Operating cash flows before working capital changes	**463.64**	**277.62**
Working capital movements:		
Decrease in trade payables	73.23	58.42
Decrease in other liabilities	23.68	150.79
Decrease in provisions	2.76	4.73
Increase in trade receivables	(217.28)	(245.55)
Increase in other assets	(15.85)	(9.11)
Cash generated from operation	**330.18**	**236.90**
Income taxes paid, net	(130.77)	(50.60)
Net cash flows generated from operating activities (A)	**199.41**	**186.30**
Cash flows from investing activities		
Purchase of fixed assets including capital advances	(102.77)	(62.88)
Acquisition of subsidiary net of cash and cash equivalents	-	(468.81)
Purchase of current investments (net)	(192.63)	(62.44)
Decrease in fixed deposit accounts	30.18	216.52
Dividend received	14.64	9.22
Interest received	5.21	29.66
Net cash used in investing activities (B)	**(245.37)**	**(338.73)**
Cash flows from financing activities		
Finance costs paid	(0.65)	(6.28)
Net cash flow used in financing activities (C)	**(0.65)**	**(6.28)**
Net decrease in cash and cash equivalents	(46.61)	(158.71)
Cash and cash equivalents at the beginning of the year	96.29	255.00
Cash and cash equivalents at the end of the year (refer note 10(c))	**49.68**	**96.29**
Component of cash and cash equivalents		
Balances with banks		
- In current accounts	49.37	96.17
Cash on hand	0.31	0.12
Total cash and cash equivalents	**49.68**	**96.29**
Non-cash changes in financing and investing activities		
Fair value changes		
Current financial assets - Investments	18.71	18.92
	18.71	**18.92**

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

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

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm Reg. No:101248W/W-100022

Arjun Ramesh
Partner
Membership No:500160
Place: Bengaluru
Date: 29 May 2018

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

Dr. Vikram Jit Singh Chhatwal
Whole-time Director
DIN: 01606329
Place: Bengaluru
Date: 29 May 2018

Satish Gidugu
Director
DIN : 06643677
Place: Bengaluru
Date: 29 May 2018

Medi Assist Insurance TPA Private Limited
Bangalore

Medi Assist Insurance TPA Private Limited
Statement of changes in equity

A. Equity share capital

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017
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	Reserve and surplus		Item of Other Comprehensive Income	Total
	Employee stock option outstanding	Retained earnings	Re-measurement of defined benefit (liabilities)/ assets	
Balance as at 1 April 2016	12.37	1,096.02	2.93	1,111.32
Profit for the year	-	196.79	-	196.79
Other Comprehensive Income, net of tax	-	-	(3.11)	(3.11)
Total Comprehensive Income for the year	**-**	**196.79**	**(3.11)**	**193.68**
Transactions recorded directly in equity				
Share based payment	7.76	-	-	7.76
Balance as at 31 March 2017	**20.13**	**1,292.81**	**(0.18)**	**1,312.76**
Balance as at 1 April 2017	**20.13**	**1,292.81**	**(0.18)**	**1,312.76**
Profit for the year	-	301.28	-	301.28
Other Comprehensive Income, net of tax	-	-	(1.06)	(1.06)
Total Comprehensive Income for the year		**301.28**	**(1.06)**	**300.22**
Transactions recorded directly in equity				
Share based payment	13.15	-	-	13.15
Balance as at 31 March 2018	**33.28**	**1,594.09**	**(1.24)**	**1,626.13**

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

Arjun Ramesh
Partner
Membership No: 218495

Place: Bengaluru
Date: 29 May 2018

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

Vikram Jit Singh Chhatwal
Whole-time Director
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Satish Gidugu
Director
DIN : 06643677

Place: Bengaluru
Date: 29 May 2018

Medi Assist Insurance TPA Private Limited
Bangalore

Medi Assist Insurance TPA Private Limited
Notes to the financial statements for the year ended 31 March 2018

1 Company overview

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

2 Basis of accounting and preparation

I Statement of compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 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.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP").

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, *First-time Adoption of Indian Accounting Standards* has been applied. An explanation of how the transition to Ind AS has affected the previously reported equity and total comprehensive income of the Company is provided in Note 31.

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 2018. These financial statements were authorised for issuance by the Company's Board of Directors on 29 May 2018.

II Functional and presentation currency

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

III Basis of measurement

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

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

IV Use of estimates and judgements

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

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

Judgement, estimates and assumptions are required in particular for:

(a) Determination of the estimated useful lives

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

(b) Recognition of deferred tax assets

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

(c) Recognition and measurement of defined benefit obligations

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

(d) Fair valuation of employee share options

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

(e) Impairment testing:

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

(f) Business combination

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

(g) Other estimates:

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

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V Measurement of fair values

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

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

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

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

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

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

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

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

3 Significant accounting policies

a. Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, fair value through profit and loss (FVTPL) or fair value in other comprehensive income (FVOCI).

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.

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

- the asset is held within a business model whose objective is to hold assets 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.

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.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

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b. Foreign currency transactions

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

c. Cash flow statement

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

d. Earnings per share

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

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

e. Revenue recognition

I. *Income from services*

i. 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 recognised as revenue on a pro-rata basis during the period of the underlying insurance policy based on the information made available to the Company from its customers.

ii. Unbilled revenue included in other current assets represents the income recognised based on the enrolment of policies pending receipt of confirmations through premium registers from the insurance company as at the year-end in respect of which invoices have not been raised. Portion of income received for period subsequent to the year end is considered as unearned income which is included in other current liabilities.

iii. Revenue from rendering pre-policy check up (PPC) services is recognised as and when services are rendered in accordance with the terms of the agreement entered into with respective insurance companies, net of reimbursement of expenses.

iv. Revenue from card processing is recognised as and when the card is issued to the beneficiaries at the rate per card agreed with the insurance company.

v. Interest on investments and deposits is recognised on time proportion basis. Dividend income is accounted for when it is declared.

f. Property, plant and equipment

Recognition and measurement:

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

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016, measured as per previous GAAP, and use that carrying value as the deemed cost for such property, plant and equipments.

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 equipments	10 years
Office equipments	5 years
Air conditioners	10 years

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

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

g. Intangible assets

Recognition and measurement

Acquired intangible assets

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intanigble assets recognized as at 1 April 2016, measured as per previous GAAP, and use that carrying value as the deemed cost for such property, plant and equipments.

Amortisation

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

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

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

h. Impairment

- Impairment of financial assets

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

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

- Impairment of non-financial assets

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

i. Leases

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

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

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

j. Employee benefits

Short-term employee benefits:

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

Compensated absences

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

Share-based compensation

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

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k. Taxation

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

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

l. Business combination

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

m. Cash and cash equivalents

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

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

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

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

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

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

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4 Property, plant and equipment

(Rs in millions)

Particulars	Leasehold improvements	Furniture and Fixtures	Office equipment	Computers	Electrical equipments	Motor car	Air conditioners	Total
Gross carrying value								
Balance at 1 April 2016	7.16	8.08	12.67	56.25	1.63	-	2.24	88.03
Additions	19.05	6.76	6.57	25.09	0.15	-	0.29	57.91
Acquisition through business combination *	-	0.64	-	2.50	0.28	0.14	1.48	5.04
Balance at 31 March 2017	26.21	15.48	19.24	83.84	2.06	0.14	4.01	150.98
Accumulated depreciation								
Balance at 1 April 2016	6.51	4.79	6.61	30.64	0.78	-	0.92	50.25
For the year	1.71	1.22	3.33	16.98	0.24	0.02	0.60	24.10
Balance at 31 March 2017	8.22	6.01	9.94	47.62	1.02	0.02	1.52	74.35
Net carrying value at 31 March 2017	**17.99**	**9.47**	**9.30**	**36.22**	**1.04**	**0.12**	**2.49**	**76.63**

Particulars	Leasehold improvements	Furniture and Fixtures	Office equipment	Computers	Electrical equipments	Motor car	Air conditioners	Total
Gross carrying value								
Balance at 1 April 2017	26.21	15.48	19.24	83.84	2.06	0.14	4.01	150.98
Additions	14.19	14.15	11.54	23.79	6.39	-	8.93	78.99
Disposals	-	(2.27)	-	-	-	-	(0.30)	(2.57)
Balance at 31 March 2018	40.40	27.36	30.78	107.63	8.45	0.14	12.64	227.40
Accumulated depreciation								
Balance at 1 April 2017	8.22	6.01	9.94	47.62	1.02	0.02	1.52	74.35
For the year	4.86	1.95	3.93	18.06	0.45	0.03	1.07	30.35
Disposals	-	(2.18)	-	-	-	-	(0.30)	(2.48)
Balance at 31 March 2018	13.08	5.78	13.87	65.68	1.47	0.05	2.29	102.22
Net carrying value at 31 March 2018	**27.32**	**21.58**	**16.91**	**41.95**	**6.98**	**0.09**	**10.35**	**125.18**

* Refer Note no. 32 B.

On transition to Ind AS, the Company has elected to adopt the previous GAAP carrying value as deemed cost.

(Rs in millions)

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Computers	Electrical equipments	Motor car	Air conditioners	Total
Gross block as at 1 April 2016	7.16	8.08	12.67	56.25	1.63	-	2.24	88.03
Accumulated depreciation as at 1 April 2016	6.51	4.79	6.61	30.64	0.78	-	0.92	50.25
Previous GAAP carrying value	**0.65**	**3.29**	**6.06**	**25.61**	**0.85**	**-**	**1.32**	**37.78**

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5 **Goodwill** *(Rs in millions)*

Particulars	Amount
Gross carrying value	
Balance as at 1 April 2016	-
Additions	-
Acquisition through business combination *	175.22
Balance as at 31 March 2017	175.22
Accumulated impairment loss	
Balance as at 1 April 2016	-
For the year	-
Balance as at 31 March 2017	-
Net carrying value at 31 March 2017	**175.22**

Particulars	Goodwill
Gross carrying value	
Balance as at 1 April 2017	175.22
Additions	-
Balance as at 31 March 2018	175.22
Accumulated impairment	
Balance as at 1 April 2017	-
For the year	-
Balance as at 31 March 2018	-
Net carrying value at 31 March 2018	**175.22**

* Refer Note no. 32 B.

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-18
Discount rate	21.02%
Terminal growth rate	5.00%
Budgeted EBITDA growth rate	11.00%

The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.
The cash flow projections includes specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of long-term compound annual EBITA growth rate, consistent with the assumptions that a market participant would make.
Budgeted EBITDA has been estimated taking into account past experience adjusted as follows:
- Revenue growth has been projected taking into account the average growth rate levels experienced over past five 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.

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".

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6 Intangible assets

(Rs in millions)

Particulars	Software and licenses	Customer contracts	Total
Gross carrying value			
Balance as at 1 April 2016	62.07	-	62.07
Additions	3.74	-	3.74
Acquisition through business combination *	1.48	295.46	296.94
Balance as at 31 March 2017	67.29	295.46	362.75
Accumulated amortisation			
Balance as at 1 April 2016	61.66	-	61.66
For the year	4.27	14.77	19.04
Balance as at 31 March 2017	65.93	14.77	80.70
Net carrying value as at 31 March 2017	**1.36**	**280.69**	**282.05**

Gross carrying value			
Balance as at 1 April 2017	67.29	295.46	362.75
Additions	5.78	-	5.78
Balance as at 31 March 2018	73.07	295.46	368.53
Accumulated amortisation			
Balance as at 1 April 2017	65.93	14.77	80.70
Amortisation for the year	4.12	29.55	33.67
Balance as at 31 March 2018	70.05	44.32	114.37
Net carrying value as at 31 March 2018	**3.02**	**251.14**	**254.16**

* Refer Note no. 32 B.

On transition to Ind AS, the Company has elected to adopt the previous GAAP carrying value as deemed cost.

(Rs in millions)

Particulars	Software and licenses	Total
Gross block as at 1 April 2016	62.07	62.07
Accumulated amortization as at 1 April 2016	61.66	61.66
Previous GAAP carrying value	**0.41**	**0.41**

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7 Non-current financial assets

7 (a) Loans

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Security deposits	16.94	8.14	1.70
Earnest Money Deposit	6.87	9.82	9.95
	23.81	**17.96**	**11.65**

7 (b) Others financial assets

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits with more than 12 months maturity *	52.93	-	80.00
Interest accrued but not due on fixed deposits	0.89	-	3.25
Other receivables	1.50	1.50	1.50
	55.32	**1.50**	**84.75**

*Includes bank deposit of Rs. 35.93 million (31 March 2017: Rs. Nil; 1 April 2016: Rs. Nil) placed with bank against which bank guarantee have been issued to insurance companies.

8 Other non-current assets

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance tax and tax deducted at source, net of provisions	320.61	295.28	268.21
Prepaid expenses	2.83	1.21	0.23
Capital Advances	19.34	1.24	-
	342.78	**297.73**	**268.44**

9 Deferred tax (net)

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax assets			
Provision for employee benefits	22.96	20.84	13.44
Allowance for bad and doubtful debts	19.85	14.54	13.93
Excess depreciation provided as per books over income tax law	-	-	5.33
Accrued expenses	3.03	9.02	26.04
Total deferred tax asset	**45.84**	**44.40**	**58.74**
Deferred tax liabilties			
Excess depreciation provided as per income tax law over books	(50.42)	(32.55)	-
Temporary difference arising from fair value adjustment of financial assets and liabilities, net	(6.51)	(6.54)	(3.12)
Total deferred tax liability	**(56.93)**	**(39.09)**	**(3.12)**
Deferred tax (liability)/ assets (net)	**(11.09)**	**5.31**	**55.62**

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10 Current financial assets

10 (a) Investments

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in mutual funds - Unquoted			
Reliance Regular Saving Fund Debt Plan - Growth [5,874,836 units (31 March 2017: Nil units; 1 April 2016: 1,011,017 units)]	142.22	-	20.88
ICICI Corporate Bond Fund - Growth [3,983,268 units (31 March 2017: 3,435,819 units; 1 April 2016: 1,325,227 units)]	107.72	87.16	30.58
Franklin India Short Term Income Plan - Retail plan [27,666 units (31 March 2017: Nil units; 1 April 2016: Nil units)]	101.54	-	-
Kotak - Income Medium Term Fund - Growth - Regular Plan [5,025,244 units (31 March 2017: 741,598 units; 1 April 2016: Nil)]	72.53	10.04	-
IDFC Corporate Bond Fund Direct Plan - Dividend [Nil units (31 March 2017: 6,583,864 units; 1 April 2016: 7,301,448 units)]	-	70.20	73.96
Kotak - Income Opportunity Fund - Regular Plan Growth [2,786,218 units (31 March 2017: 2,694,097 units; 1 April 2016: 969,425 units)]	53.29	48.34	15.81
UTI Mutual Fund [Nil units (31 March 2017: 3,551,269 units; 1 April 2016: Nil units)]	-	52.79	-
UTI Income Oppurtunities Fund - Growth plan [2,982,761 units (31 March 2017: Nil units; 1 April 2016: Nil units)]	47.27	-	-
Kotak Low Duration Fund - Weekly dividend [35,818 units (31 March 2017: Nil units; 1 April 2016: Nil units)]	36.54	-	-
DHFL Pramerica Credit Oppurtunities Fund - Regular growth [2,271,925 units (31 March 2017: Nil units; 1 April 2016: Nil units)]	31.28	-	-
IDFC Banking Debt Fund - Direct Plan - Daily Dividend [1,999,145 units (31 March 2017: Nil units; 1 April 2016: Nil units)]	20.21	-	-
Axis Short Term Fund - Direct Growth - STDG [Nil units (31 March 2017: Nil units; 1 April 2016: 3,709,288 units)]	-	-	62.25
IDFC Super Saver Income Fund - Short Term Plan - Monthly Dividend [Nil units (31 March 2017: Nil units; 1 April 2016: 6,075,135 units)]	-	-	61.90
ICICI Regular Income Fund - Growth [Nil units (31 March 2017: 2,510,651 units; 1 April 2016: 2,133,864 units)]	-	41.14	31.95
Axis Banking Debt Fund - Direct Plan - Growth Nil units (31 March 2017: Nil units; 1 April 2016: 21,770 units)	-	-	30.36
IDFC Government Securities Fund - Weekly Dividend - Regular Plan [Nil units (31 March 2017: Nil units; 1 April 2016: 1,544,867 units)]	-	-	21.12
IDFC Ultra Short Term fund- Daily Dividend [1,396,705 units (31 March 2017: 5,573,597 units; 1 April 2016: Nil units)]	14.13	56.36	-
IDFC Super Saver Income Fund - Medium Term Plan - Monthly Dividend [1,005,581 units (31 March 2017: 971,297 units; 1 April 2016: Nil units)]	10.50	10.14	-
Kotak Medium Term Fund - Growth plan [704,121 units (31 March 2017: Nil units; 1 April 2016: Nil units)]	10.16	-	-
IDFC Cash Fund - Daily Dividend - Direct Plan [1,438 units (31 March 2017: 61,133 units; 1 April 2016: Nil units)]	1.44	61.24	-
	648.83	**437.41**	**348.81**

10 (b) Trade receivables

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Unsecured)			
Considered good	736.65	534.71	248.93
Doubtful	45.05	29.70	26.33
	781.70	564.41	275.26
Allowance for bad and doubtful debts			
Unsecured, considered doubtful	(45.05)	(29.70)	(26.33)
	736.65	**534.71**	**248.93**
a) Due date based aging			
Debts outstanding for period exceeding six months from the date they become receivable	369.86	236.58	69.40
Other debts	411.84	327.83	205.86
	781.70	**564.41**	**275.26**

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10 Financial assets (continued)

10 (c) Cash and cash equivalents

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	0.31	0.12	0.17
Balances with banks			
- In current accounts	49.37	96.17	254.83
- In float accounts *	13.65	39.35	79.37
	63.33	**135.64**	**334.37**
Balances with banks			
- On float accounts *	(13.65)	(39.35)	(79.37)
Cash and cash equivalents	**49.68**	**96.29**	**255.00**

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

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

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deposits with original maturity of more than three months but less than 12 months *	6.01	89.12	221.55
	6.01	**89.12**	**221.55**

* Includes bank deposit of Rs. 1.50 million (31 March 2017: Rs 35.00 million; 1 April 2016: 108.81 million) placed with bank against which bank guarantee have been issued to insurance companies.

10 (e) Loans

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Security deposits	20.01	29.13	25.37
Unsecured, considered doubtful			
Security deposits	0.08	0.08	1.11
Less: Provision for security deposits	(0.08)	(0.08)	(1.11)
	20.01	**29.13**	**25.37**

10 (f) Others financial assets

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Accrued interest income	0.02	1.15	14.22
Unbilled revenue	648.80	689.53	537.92
Other receivables	16.61	7.27	1.18
Unsecured, considered doubtful			
Other receivables	12.23	12.23	12.23
Less: Provision for other receivables	(12.23)	(12.23)	(12.23)
	665.43	**697.95**	**553.32**

11 Other current assets

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Balances with government authorities	46.72	1.67	-
Advances to suppliers	47.87	8.13	7.30
Advances to employees	2.52	1.68	1.79
Prepaid expenses	9.48	10.48	7.15
Unsecured, considered doubtful			
Advances to suppliers	-	-	0.56
Less: Provision for advances to suppliers	-	-	(0.56)
	106.59	**21.96**	**16.25**

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12 Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised:			
4,020,000 (31 March 2017: 4,020,000; 1 April 2016: 4,020,000) equity shares of Rs 10 each *	40.20	40.20	40.20
	40.20	**40.20**	**40.20**
Issued and Subscribed and Paid up:			
4,012,370 (31 March 2017: 4,012,370; 1 April 2016: 4,012,370) equity shares of Rs 10 each	40.12	40.12	40.12
	40.12	**40.12**	**40.12**

* Effect of increase in authorised share capital upon merger order of Dedicated Healthcare Services TPA (India) Private Limited ("DHS"), a wholly owned subsidiary of the company, with the company, has not been included, as it is pending for approval from authorities. Upon approval, the authorised share capital of the company would be Rs. 60.20 million.

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	40,12,370	40.12	40,12,370	40.12
Issued during the year	-	-	-	-
At the end of the year	**40,12,370**	**40.12**	**40,12,370**	**40.12**

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

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. Voting rights cannot be exercised in respect of shares on which any call or other sum presently payable has not been paid. Failure to pay any amount called up on shares may lead to forfeiture of shares.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company:

Particulars	As at 31 March 2018		As at 31 March 2017	
	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)	40,12,370	40.12	40,12,370	40.12
	40,12,370	**40.12**	**40,12,370**	**40.12**

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	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)	40,12,370	40.12	40,12,370	40.12
	40,12,370	**40.12**	**40,12,370**	**40.12**

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of options	Amount (Rs.)	Number of options	Amount (Rs.)
Under employee stock option scheme, 2012: 304,940 equity shares of Rs. 10 each*	3,04,940	3.05	3,04,940	3.05

*Refer note 27 for further details of the scheme.

f) The Company has not alloted 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 preceeding the balance sheet date.

13 Other equity

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes	1,592.85	1,292.63	1,098.95
Share options outstanding account	33.28	20.13	12.37
	1,626.13	**1,312.76**	**1,111.32**

(a) Share options 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 27 for ESOS scheme details.

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14 Provisions (non-current)

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits:			
Gratuity	32.35	33.06	14.55
	32.35	**33.06**	**14.55**

15 Current financial liabilities

15 (a) Trade payables

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
- Total outstanding dues of micro, small and medium enterprises	-	-	-
- Total outstanding dues of creditors other than micro, small and medium enterprises	275.11	206.62	155.34
	275.11	**206.62**	**155.34**

15 (b) Other financial liabilities

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Employee benefits payable	46.99	39.04	36.58
Insurer's float balance	14.16	41.57	81.36
Creditors towards other expenses	73.74	87.02	53.27
Creditors for capital goods	0.72	0.10	2.01
Accrued expenses	135.05	114.45	64.06
	270.66	**282.18**	**237.28**

16 Other current liabilities

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unearned revenue	799.61	813.97	550.74
Statutory liabilities	142.88	93.33	83.09
	942.49	**907.30**	**633.83**

17 Provisions (current)

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits:			
Employee compensated absences	7.79	11.57	13.79
Gratuity	17.58	8.71	1.02
	25.37	**20.28**	**14.81**

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18 Revenue from operations

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of services :		
Third Party Administration (TPA) fees	2,289.66	2,246.00
Card processing income	282.77	68.83
Add: opening unearned income	813.97	653.34
	3,386.40	2,968.17
Less: closing unearned income	799.61	813.97
Income from sale of services	2,586.79	2,154.20
Other operating revenue:		
Income from facilitating pre-policy check up services	14.84	12.14
	2,601.63	**2,166.34**

19 Other income

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit on sale of investment in mutual funds	19.00	16.25
Dividend income	14.64	9.22
Interest on term deposits and loans	4.97	13.34
Interest on income tax refund	7.61	22.66
Interest income on financial assets at amortised cost	0.82	0.39
Net gain on financial assets measured at fair value through profit or loss	-	9.92
Profit on sale of fixed asset	0.09	-
Creditors no longer payable written back	4.74	7.14
Miscellaneous Income	0.03	0.09
	51.90	**79.01**

20 Employee benefits

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, bonus and allowances	713.41	662.52
Contribution to provident and other funds	59.00	46.49
Employee stock option compensation cost (net)	3.92	1.67
Staff welfare	18.53	24.60
	794.86	**735.28**

21 Finance costs

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Bank guarantee commission	0.28	4.92
Other interest	0.37	1.36
	0.65	**6.28**

22 Depreciation and amortisation expense

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of tangible assets	30.35	24.10
Amortisation of intangible assets	33.67	19.04
	64.02	**43.14**

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23 Other expenses

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Enrolment card charges	254.34	67.23
Software subscription charges	276.11	240.57
Subcontracting expenses	201.05	186.81
Business support services	140.90	126.67
Rent	97.32	85.08
Postage and communication	86.75	84.86
Repair and maintenance	47.95	58.60
Printing and stationery	64.34	103.92
Travelling and conveyance	61.86	56.75
Legal and professional	33.66	48.18
Power and fuel charges	25.81	26.04
Insurance awareness initiatives	18.71	22.33
Provision for doubtful debts (net)	15.34	3.37
Claims disallowed	10.63	6.34
Security expenses	9.54	10.89
Corportate social responsibility (refer note 34)	7.40	6.41
Rates and taxes	3.13	8.03
Housekeeping charges	2.77	5.56
Auditor's remuneration	1.80	1.84
Insurance	0.82	2.13
Net loss on financial assets measured at fair value through profit or loss	0.22	-
Seminar, training and conference expenses	0.02	0.19
Director sitting fees	0.10	0.05
Miscellaneous expenses	2.16	6.72
	1,362.73	**1,158.57**

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24 Contingent liabilities and commitments

(Rs in millions)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Contingent liabilities:		
- Bonus as per The Payment of Bonus (Amendment) Act, 2015 for the period from 1 April 2014 to 31 March 2015	5.71	5.71
- Demands raised by income-tax authorities for various assessment years with regard to taxation of non-deduction of tax on payments made by the Company to various hospitals towards cashless claims. [Net of amount paid to Income tax authority under protest of Rs. 55.02 million (previous year: Rs. 55.02 million)] *	-	-
- Claims against the company not acknowledged by the Company	0.03	0.03
Commitments:		
- Estimated amount of contracts, remaining to be executed on capital account and not provided for	5.72	4.33
	11.46	**10.07**

* 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.

25 Earnings per share ("EPS")

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

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Profit attributable to ordinary shareholders.		
Net Profit for the year attributable to the equity share holders (a)	301.28	196.79
Weighted average number of equity shares outstanding for basic earning per share (b)	40,12,370	40,12,370
Weighted average number of equity shares outstanding for diluted earning per share (c)	40,69,918	40,65,383
Basic earning per share of Rs 10/- each [a/b]	75.09	49.05
Diluted earning per share of Rs 10/- each [a/c]	74.03	48.41

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 2018**	**For the year ended 31 March 2017**
Weighted average number of equity shares outstanding during the period for calculating basic EPS	40,12,370	40,12,370
Effect of dilutive potential equity shares		
- Employee stock options	57,548	53,013
Weighted average number of equity shares outstanding during the period for calculation of diluted EPS	40,69,918	40,65,383

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26 Employee benefits

The Company contributes to the following post-employment plans.

a. Defined contribution plan:

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

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund and employees state insurance, which are defined contribution plans. The Company has no obligation other than to make the specified contribution. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident fund and employee state insurance for the year aggregated to Rs. 44.50 million (previous year: Rs. 36.43 million).

b. Defined benefit plans:

The company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. The plan entitles an employee who has rendered atleast five years of continous 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 2018	As at 31 March 2017
Defined benefit obligation	50.16	45.46
Fair value of plan assets	(0.23)	(3.69)
Net defined benefit obligation	**(49.93)**	**(41.77)**
Current liabilities	(17.58)	(8.71)
Non-current liabilities	(32.35)	(33.06)

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 2018	As at 31 March 2017
Balance at the beginning of the year	45.46	20.87
Addition on business combination	-	14.49
Current service cost	9.09	6.42
Interest cost	2.99	1.77
Benefits paid by the plan	(8.67)	(2.58)
Actuarial gains/(losses) recognised in other comprehensive income		
Changes in demographic assumptions	(1.84)	(0.27)
Changes in financial assumptions	1.03	2.02
Experience adjustment	2.10	2.74
Balance at the end of the year	**50.16**	**45.46**

Reconciliation of present value of plan assets

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	(3.69)	(5.30)
Contributions paid by the employer	(5.40)	(1.57)
Benefits paid	8.67	3.21
Interest income	(0.14)	(0.29)
Return on planned assets recognised in other comprehensive income		
Experience adjustment	0.33	0.26
Balance at the end of the year	**(0.23)**	**(3.69)**

Expense recognised in statement of profit and loss

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017
Current service cost	9.09	6.42
Interest cost	2.99	1.77
Interest income	(0.14)	(0.29)
	11.94	**7.90**

Expense recognised in other comprehensive income

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017
Changes in demographic assumptions	(1.84)	(0.27)
Changes in financial assumptions	1.03	2.02
Experience adjustment	2.43	3.00
	1.62	**4.75**

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26 Employee benefits (continued)

ii. Plan assets

Plan assets comprise the following

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017
Managed by - Reliance nippon life insurance	0.23	3.69
Total	**0.23**	**3.69**

iii. Actuarial assumptions

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

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	6.70% - 6.84%	6.45% - 6.80%
Expected return	6.70% - 6.84%	6.45% - 6.80%
Future salary growth	9.90%	5.50% - 10.00%
Rate of employee turnover	40.04%	15.00% - 36.50%

iv. Sensitivity analysis

(Rs in millions)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.15)	1.21	(1.52)	1.64
Future salary growth (1% movement)	0.94	(0.91)	1.39	(1.31)
Rate of employee turnover (1% movement)	(0.30)	0.31	(0.26)	0.26

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 2018		As at 31 March 2017	
	Discounted	Undiscounted	Discounted	Undiscounted
1st following year	12.76	13.37	8.73	9.15
2nd following year	6.75	7.58	6.11	6.81
3rd following year	4.23	5.07	3.59	4.27
4th following year	2.53	3.24	2.45	3.09
5th following year	1.58	2.16	1.51	2.03
Therafter	2.26	3.57	2.52	3.90

Medi Assist Insurance TPA Private Ltd. Bangalore

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Notes to the financial statements (continued)

27 Employee-based payment arrangement

2012 plan

The Company has introduced Employee Stock Option Scheme 2012 ("ESOS 2012") with effect from 30 April 2012 to enable the employees of the Company to participate in the future growth and success of the Company. ESOS 2012 is operated at the discretion of the Board.
The Company has granted to its employee 87,842 employee stock options on 30 April 2012, 17,333 employee stock options on 30 April 2013, 28,198 employee stock options on 1 June 2014, 6,374 employee stock options on 1 June 2015, 13,500 employee stock options on 15 September 2015, 29,000 employee stock options on 15 July 2016 and 45,394 employee stock options on 1 July 2017. These options which confer a right but not an obligation on the employee to apply for equity shares of the Company once the terms and conditions set forth in the Employee Stock Option Scheme 2012 ("ESOS 2012") and the option agreement have been met. Vesting of options would be subject to continued employment with the Company and meeting the requisite performance parameters. As at the balance sheet date 76,467 options were vested to the employees.

The Company had below share based payment arrangement under ESOS 2012 as on 31 March 2018

(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	01-Jun-14	28,198	966
Grant VI	01-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	01-Jul-17	18,110	1,505
Grant X	01-Jul-17	15,405	1,505
Grant XI	01-Jul-17	7,434	1,505
Grant XII	01-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%	-	-	-

Reconciliation of outstanding employee stock options:

For the year ended 31 March 2018

Particulars	Shares arising out of options	Range of exercise prices (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life
Outstanding as at 1 April 2017	1,21,814	140 - 1,368	744	4.15
Add: Options granted during the year	45,394	1,505	1,505	3.28
Less: Options lapsed during the year	9,757	235 - 1,505	1,371	-
Options outstanding at 31 March 2018	1,57,451	140 - 1,505	925	3.28
Exercisable options at 31 March 2018	76,467	140 - 1,505	433	3.28

For the year ended 31 March 2017

Particulars	Shares arising out of options	Range of exercise prices (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life
Options outstanding at the beginning of the year	99,564	140 - 1,244	552	5.03
Add: Options granted during the year	29,000	1,368	1,368	4.15
Less: Options lapsed/forfeited during the year	6,750	140 - 1,244	594	-
Options outstanding at the year end	1,21,814	140 - 1,368	744	4.15
Exercisable at the end of the period	66,870	140 - 1,368	322	4.15

Valuation of stock option

Options have been valued based on fair value method as described under Ind AS 102 Share based payments, using Black Scholes valuation options pricing model, by using the fair value of the company's shares on the grant date.
The inputs used in the measurement of grant-date fair values for equity instrument issued during the year are as follows:

Particulars	Grant IX, X, XI and XII
Grant date	01-Jul-17
Share price	1,505
Exercise price	1,505
Expected volatility	21.05% to 23.75%
Expected life	3.25 to 5.00
Expected dividend	0%
Risk-free interest rate (based on government bonds)	6.45% to 6.63%
Fair value	377.44 to 456.13

Expenses summary of shared-based payment

For details on employee benefit expenses refer note 20.

28 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

As at 31 March 2018 *(Rs in millions)*

	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets								
Loans	-	-	23.81	23.81	-	-	-	-
Other non-current financial assets	-	-	55.32	55.32	-	-	-	-
Current financial assets								
Investments	648.83	-	-	648.83	648.83	-	-	648.83
Trade receivables	-	-	736.65	736.65	-	-	-	-
Cash and cash equivalents	-	-	63.33	63.33	-	-	-	-
Bank balance other than above	-	-	6.01	6.01	-	-	-	-
Loans	-	-	20.01	20.01	-	-	-	-
Other current financial assets	-	-	665.43	665.43	-	-	-	-
	648.83	-	**1,570.56**	**2,219.39**	**648.83**	-	-	**648.83**
Financial liabilities								
Current financial liabilities								
Trade and other payables	-	-	275.11	275.11	-	-	-	-
Other financial liabilities	-	-	270.66	270.66	-	-	-	-
	-	-	**545.77**	**545.77**	-	-	-	-

As at 31 March 2017 *(Rs in millions)*

	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets								
Loans	-	-	17.96	17.96	-	-	-	-
Other non-current financial assets	-	-	1.50	1.50	-	-	-	-
Current financial assets								
Investments	437.41	-	-	437.41	437.41	-	-	437.41
Trade receivables	-	-	534.71	534.71	-	-	-	-
Cash and cash equivalents	-	-	135.64	135.64	-	-	-	-
Bank balance other than above	-	-	89.12	89.12	-	-	-	-
Loans	-	-	29.13	29.13	-	-	-	-
Other current financial assets	-	-	697.95	697.95	-	-	-	-
	437.41	-	**1,506.01**	**1,943.42**	**437.41**	-	-	**437.41**
Financial liabilities								
Current financial liabilities								
Trade and other payables	-	-	206.62	206.62	-	-	-	-
Other financial liabilities	-	-	282.18	282.18	-	-	-	-
	-	-	**488.80**	**488.80**	-	-	-	-

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.

C. Financial risk management

Risk management framework

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

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

The Company has exposure to the following risks arising from financial instruments:
- Market risk;
- Credit risk; and
- Liquidity risk

i. Market risk

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

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

ii. Credit risk

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

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

a. Trade receivables
b. Cash and bank balances

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

C. Financial risk management (continued)

ii. Credit risk (continued)

Trade receivable

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

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

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

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

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

(Rs in millions)

	As at 31 March 2018	As at 31 March 2017
Trade receivables	781.70	564.41
	781.70	**564.41**

Impairment

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

(Rs in millions)

	As at 31 March 2018	As at 31 March 2017
Neither past due nor impaired	274.25	281.57
0-90 days	97.27	36.73
91-180 days	40.32	9.53
181-365 days	163.45	83.90
> 365 days	206.41	152.68
	781.70	**564.41**

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 2018	As at 31 March 2017
Balance at the beginning of the year	29.70	26.33
Impairment loss recognized	15.35	3.37
Balance at the end of the year	**45.05**	**29.70**

Cash and cash equivalents and other bank balances

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

iii. Liquidity risk

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

Exposure to liquidity risk

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

As at 31 March 2018 *(Rs in millions)*

		Contractual cash flows				
	Carrying amount	0-12 months	1-2 years	2-5 years	More than 5 years	Total
Current, non-derivative financial liabilities						
Trade and other payables- others	275.11	275.11	-	-	-	275.11
Other current financial liabilities	270.66	270.66	-	-	-	270.66
	545.77	**545.77**	**-**	**-**	**-**	**545.77**

As at 31 March 2017 *(Rs in millions)*

		Contractual cash flows				
	Carrying amount	0-12 months	1-2 years	2-5 years	More than 5 years	Total
Current, non-derivative financial liabilities						
Trade and other payables- others	206.62	206.62	-	-	-	206.62
Other current financial liabilities	282.18	282.18	-	-	-	282.18
	488.80	**488.80**	**-**	**-**	**-**	**488.80**

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

29 Movement in deferred tax

i. Movement in deferred tax balances for the year ended 31 March 2017

(Rs in millions)

Particulars	Deferred tax assets as at 31 March 2016	Addition on account of business combination *	Recognised in statement of profit and loss	Recognised in other comprehensive income	Deferred tax assets as at 31 March 2017	Deferred tax asset	Deferred tax liability
Property plant and equipment	5.33	0.15	(38.03)	-	(32.55)	-	32.55
Employee benefits	13.44	6.99	(1.23)	1.64	20.84	20.84	-
Provision for doubtful debts	13.93	-	0.61	-	14.54	14.54	-
Investments	(3.11)	-	(3.43)	-	(6.54)	-	6.54
Security deposit	-	-	0.01	-	0.01	0.01	-
Temporary differences on expenses	26.04	-	(17.03)	-	9.01	9.01	-
Total	**55.63**	**7.14**	**(59.10)**	**1.64**	**5.31**	**44.40**	**39.09**

* Refer Note no. 32 B.

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

(Rs in millions)

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

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30 Tax expense

(a) Amounts recognised in profit and loss

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax	131.61	55.31
Taxes for earlier years	(18.56)	(9.12)
Deferred income tax liability, net	16.94	59.10
Tax expense for the year	**129.99**	**105.29**

(b) Amounts recognised in other comprehensive income

(Rs in millions)

Particulars	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability	(1.62)	0.56	(1.06)	(4.75)	1.64	(3.11)
	(1.62)	**0.56**	**(1.06)**	**(4.75)**	**1.64**	**(3.11)**

(c) Reconciliation of effective tax rate

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	431.27	302.08
Domestic tax rate	34.61%	34.61%
Tax using company's domestic rate	149.25	104.54
Tax effect of:		
Employee stock option scheme accounted at fair value	1.36	0.58
Impact of restatement entries on current tax	(2.26)	2.26
Exempt income	(3.24)	(2.59)
CSR expenses	1.84	2.22
Acquisition expenses	-	5.65
Other permanent differences	1.60	1.75
Income tax (credit) for earlier years	(18.56)	(9.12)
	129.99	**105.29**
Current tax	131.61	55.31
Income tax (credit) for earlier years	(18.56)	(9.12)
Deferred tax	16.94	59.10

Assist Insurance TPA Private Limited Bangalore

31 First time adoption

I. Statement of reconciliation between the previous GAAP and Ind AS

Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP' or 'IGAAP').

The accounting policies set out in Note 3, have been applied in preparing these financial statements for the period ended 31 March 2018 including the comparative information for the year ended 31 March 2017, 1 April 2016.

In preparing its Ind AS balance sheet as at 31 March 2017 the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A Optional exemptions availed

a) Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

ii) use a IGAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to fair value or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with IGAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to measure property, plant and equipment and intangible assets as carrying value as per IGAAP as deemed cost.

b) Share based payments

A first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind AS. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments, determined at the measurement date, as defined in Ind AS 102. For all grants of equity instruments to which Ind AS 102 has not been applied (e.g., equity instruments vested but not settled before date of transition to Ind AS), a first time adopter shall nevertheless disclose the information required by Ind AS 102.

The Company has opted to apply Ind AS 102 to equity instruments vested before the date of transition.

B Mandatory exceptions

Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the IGAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under IGAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the standalone financial statements that were not required under the IGAAP are listed below:

- Determination of the discounted value for financial instruments carried at amortised cost
- Fair valuation of financial instruments carried at FVTPL

Classification and measurement of financial assets

(a) Under Ind AS 109, on initial recognition, a financial asset is classified into amortized cost, fair value through OCI or fair value through profit or loss based on the business model assessment and Solely Payment of Principal and Interest (SPPI) criterion. A first-time adopter is required to make such assessments based on facts and circumstances that exist at the date of transition.

(b) a modified time value of money element of a financial asset is assessed to determine whether it meets the SPPI criterion. If it is impracticable to make such assessment based on the facts and circumstances that existed at the date of transition, then a first-time adopter is required to make the assessment of the SPPI criterion without taking into account the specific requirements for the modified time value of money element.

(c) a prepayment feature in a financial asset is assessed to determine whether the financial asset is eligible for classifying as amortized cost or fair value through OCI. If it is impracticable to assess whether the fair value of a prepayment feature was insignificant based on the facts and circumstances that existed at the date of transition, then a first-time adopter is required to make the classification assessment without taking into account the exception for certain prepayment features required to make the assessment of the SPPI criterion.

If it is impracticable to apply the effective interest method in Indian Accounting Standard (Ind AS) 109 -Financial Instruments retrospectively, then the fair value of the financial asset or financial liability at the date of transition is the new gross carrying amount of that financial asset or the new amortized cost of that liability at the date of transition.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impractible.

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31 First time adoption (continued)

Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

II Reconciliation of equity reported in accordance with IGAAP to its equity in accordance with Ind AS

(Rs in millions)

Particulars	Notes	As at 31 March 2017*	As at 1 April 2016
Total Equity as per IGAAP (a) *		1,344.76	1,186.65
Adjustments			
Generally Accepted Accounting Principle (GAAP) differences			
Fair value of investment	1	18.92	9.01
Provisions for expected credit loss	2	(3.37)	-
Share based payment	3	7.27	1.18
Tax adjustments	4	(8.14)	15.93
Others		5.71	3.38
Sub-total (b)		**20.40**	**29.50**
Adjustments identified apart from above GAAP differences			
Revenue adjustment	5	(12.28)	(64.71)
Sub-total (c)		**(12.28)**	**(64.71)**
Total adjustment (d=b+c)		**8.12**	**(35.21)**
Total equity as per Ind AS (a+d)		**1,352.88**	**1,151.44**

* Total equity as per IGAAP as at 31 March 2017 includes amounts pertaining to Dedicated Healthcare Services TPA (India) Private Limited ("DHS") and other merger adjustments. DHS was merged with the Company pursuant to merger order dated 6 April 2018 from Hon'ble Regional Director, South

III Reconciliation of total comprehensive income as previously reported under IGAAP and Ind AS

(Rs in millions)

Particulars	Note	For the year ended
Net profit after tax as per IGAAP (a)*		158.11
Adjustments		
Generally Accepted Accounting Principle (GAAP) differences		
Fair value of investment	1	9.92
Provisions for expected credit loss	2	(3.37)
Share based payment	3	(1.67)
Tax adjustments	4	(24.07)
Other Ind AS adjustments		2.33
Sub-total (b)		**(16.86)**
Adjustments identified apart from above GAAP differences		
Revenue adjustment	5	52.43
Sub-total (c)		**52.43**
Total adjustment (d=b+c)		**35.57**
Total comprehensive income as per Ind AS (a+d)		**193.68**

* Net profit as per IGAAP as at 31 March 2017 includes amounts pertaining to Dedicated Healthcare Services TPA (India) Private Limited ("DHS") and other merger adjustments. DHS was merged with the Company pursuant to merger order dated 6 April 2018 from Hon'ble Regional Director, South east

1 Fair value of investment

Under the previous GAAP, current investements were measured at lower of cost or fair value. Under Ind AS, investments are measured at fair value and the mark-to-market gains/ losses are recognized to profit or loss.

2 Expected credit loss

Under previous GAAP, loss provision for trade receivables was created based on credit risk assessment. Under Ind AS, these provisions are based on assessment of risk of default and timing of collection.

3 Share based payment

Under previous GAAP, the Group has accounted share based payment expenses under intrinsic value method in accordance with Guidance note on *Accounting for Employee Share-based Payment.* However under Ind AS, the Company has accounted the Share based payment cost at fair value method

4 Tax adjustments

Tax adjustments includes deferred tax impact on account of differences betweeen the previous GAAP and Ind AS.

5 Adjustments identified apart from above GAAP differences

Represents certain adjustments, disclosed seperately in accordance with para 26 of Ind AS 101 - "First-time Adoption of Indian Accounting Standards".

32 Business combination

A Summary of acquistion

On 30 September 2016, Medi Assist Insurance TPA Private Limited (MAITPL) acquired 100% of the equity shares of Dedicated Healthcare Services TPA (India) Private Limited ("DHS") for a consideration of Rs. 476.76 million. DHS is engaged in the business of providing health benefits administration services.

The Board of Directors of DHS, vide their meeting dated 27 January 2017, in principle approved the Scheme of Amalgamation ('the scheme') of DHS with the Company.

Pursuant to merger order dated 6 April 2018 from Hon'ble Regional Director ('RD'), South east region, Hyderabad - Dedicated Healthcare Services TPA (India) Private Limited, a subsidiary of the Company, merged with the Company. The Company has given effect to the Scheme from the appointed date specified in the Scheme i.e. 1 October 2016 which is also the acquisition date and accordingly the prior period financial information has been restated from the appointed date. The Company has considered the aforesaid merger as business acquisition from the appointed date.

The Company's intention prior to acquiring 100% share of DHS was to merge the same with the Company. Accordingly, the Company has accounted the business combination by applying the acquisition method.

Since the event is an adjusting event as per Ind AS 10, financial statements are prepared as per the scheme of merger/amalagamation approved by the Hon'ble Regional Director.

Acquisition related-cost

The group incurred acquisition related cost of Rs. 16.31 million on legal fees and due diligence costs. 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.

B 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	5.04
Identifiable intangible assets	6	296.94
Loans		12.42
Other non current assets		25.83
Trade receivables		43.60
Cash and cash equivalents		7.95
Other cash and bank balances		13.04
Other financial assets		70.79
Other current assets		0.85
Fair value of assets accquired		**476.46**
Provisions		(14.49)
Less: Deferred tax asset	9	7.14
Other financial liabilities		(126.23)
Other current liabilities		(41.34)
Fair value of liabilities assumed		**(174.92)**
Goodwill on consolidation	5	175.22
Total consideration paid		**476.76**

C Purchase consideration - cash outflow

(Rs in millions)

Particulars	Amount
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	476.76
Less: Cash and cash equivalents acquired	(7.95)
Net outflow of cash - investing activities	**468.81**

The goodwill of Rs. 175.22 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.

D Reconciliation of previously reported balance sheet and restatement impact to give effect to meger

(Rs in millions)

Balance Sheet (Extract)	31-Mar-2017 (as previously reported)	Effect of merger	31-Mar-2017 (post-merger)
ASSETS			
Non-current assets			
Property, plant and equipment	72.09	4.52	76.61
Goodwill	-	175.22	175.22
Other intangible assets	0.84	281.19	282.03
Financial assets			
Investments	476.76	(476.76)	-
Loans	27.28	8.74	36.02
Other non-current assets	255.09	41.43	296.52
Deferred tax assets (net)	39.85	(26.41)	13.44
Total non-current assets	**871.91**	**7.93**	**879.84**

CHARTERED ACCOUNTANTS

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

32 **Business combination (continued)**

D Reconciliation of previously reported balance sheet and restatement impact to give effect to meger (continued)

(Rs in millions)

Balance Sheet (Extract)	31-Mar-2017 (as previously reported)	Effect of merger	31-Mar-2017 (post-merger)
Current assets			
Financial assets			
Investments	350.99	67.50	418.49
Trade receivables	481.98	56.09	538.07
Cash and cash equivalents	109.74	25.90	135.64
Bank balances other than cash and cash equivalents above	54.27	34.85	89.12
Loans	12.97	-	12.97
Others financial assets	614.40	76.27	690.67
Other current assets	15.42	5.90	21.32
Total current assets	**1,639.77**	**266.51**	**1,906.28**
Total assets	**2,511.68**	**274.44**	**2,786.12**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	40.12	-	40.12
Other equity	1,269.82	34.82	1,304.64
Total equity	**1,309.94**	**34.82**	**1,344.76**
LIABILITIES			
Non-current liabilites			
Provisions	22.13	12.40	34.53
Other non-current liabilities	2.80	-	2.80
Total non-current liabilities	**24.93**	**12.40**	**37.33**
Current liabilities			
Financial liabilities			
Trade payables	199.02	7.60	206.62
Other financial liabilities	251.02	52.85	303.87
Other current liabilities	710.16	163.10	873.26
Provisions	16.61	3.67	20.28
Total current liabilities	**1,176.81**	**227.22**	**1,404.03**
Total liabilities	**1,201.74**	**239.62**	**1,441.36**
Total equity and liabilities	**2,511.68**	**274.44**	**2,786.12**

E Reconciliation of previously reported statement of profit and loss and restatement impact to give effect to meger

(Rs in millions)

Statement of profit and loss (Extract)	31-Mar-2017 (as previously reported)	Effect of merger	31-Mar-2017 (post-merger)
Revenue			
Revenue from operations	1,895.56	240.12	2,135.68
Other income	63.65	5.05	68.70
Total income	**1,959.21**	**245.17**	**2,204.38**
Expenses			
Employee benefits	655.30	83.53	738.83
Other expenses	1,091.23	87.20	1,178.43
Total expenses	**1,746.53**	**170.73**	**1,917.26**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**212.68**	**74.44**	**287.12**
Finance costs	6.28	-	6.28
Depreciation and amortisation	26.04	17.10	43.14
Total expenses	**1,778.85**	**187.83**	**1,966.68**
Profit before tax for the year	**180.36**	**57.34**	**237.70**
Income tax expense/(credit):			
Current tax	69.00	(13.69)	55.31
Income tax (credit)/ charge for earlier years	(11.77)	2.66	(9.11)
Deferred tax (credit)/ charge	(0.16)	33.55	33.39
	57.07	**22.52**	**79.59**
Profit after tax for the year	**123.29**	**34.82**	**158.11**

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Medi Assist Insurance TPA Private Ltd. Bangalore

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

32 Business combination (continued)

F. Reconciliation of previously reported EPS and restatement impact to give effect to meger

Particulars	31-Mar-2017 (as previously reported)	Effect of merger	31-Mar-2017 (post-merger)
Profit after tax for the purpose of earnings per share	123.29	34.82	158.11
Weighted average number of shares used in computing basic earnings per share	40,12,370	40,12,370	40,12,370
Basic earnings per share	**30.73**	**8.68**	**39.41**
Weighted average number of shares used in computing diluted earnings per share	40,67,921	40,67,921	40,67,921
Diluted earnings per share	**30.31**	**8.56**	**38.87**

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Medi Assist Insurance TPA Private Limited

33 Operating leases

The Company is obligated under non-cancellable operating leases for office premises which is renewable on a periodic basis at the option of both the lesser and lessee. Total rental expense under non-cancellable operating lease amounts to Rs. 51.68 million (previous year: Rs 30.60 million).

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

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Not later than one year	64.11	36.02
Later than one year but not later than 5 years	198.84	112.97
Later than 5 years	-	-

Further, the Company is obligated under cancellable operating leases for office space lease rentals. Total rental expense under cancellable operating leases during the year was Rs. 45.65 million (previous year: Rs 54.48 million).

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 period Rs. 7.40 million (previous year: Rs. 6.41 million) was spent towards the CSR activities.

a) Gross amount required to be spent by the Company for the period Rs 5.68 million (previous year: Rs 5.99 million).
b) Amount spent during the year:

For the year ended 31 March 2018

(Rs in millions)

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

For the year ended 31 March 2017

(Rs in millions)

Particulars	Amount paid	Not paid	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	6.41	-	6.41
	6.41	-	6.41

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 (till 21 March 2017) (formerly known as Medi Assist Healthcare Services Private Limited)
(ii) Subsidiaries	Dedicated Healthcare Services TPA (India) Private Limited (Appointed date being 1 October 2016). Refer Note 32 and Note 39. (Merged effective 24 April 2018)
(iii) Enterprises having control over the Company	Medimatter Health Management Private Limited (Ultimate holding company till 21 March 2017)
(iv) Fellow subsidiary companies	Medybiz Services Private Limited Medi Assist Foundation
(v) Key Management Personnel	Dr. Vikram Jit Singh Chhatwal - Whole time Director Mrs. Srimathi Ranganathan- Whole time Director

Medi Assist Insurance TPA Pvt. Ltd. Bangalore

36 Related party disclosures (continued)

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

(Rs in millions)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Support service fee paid to		
Medi Assist Healthcare Services Limited	161.10	142.76
Software subscription charges paid to		
Medi Assist Healthcare Services Limited	267.74	233.13
Reimbursement of expenses to		
Medi Assist Healthcare Services Limited towards		
Health screenings	80.48	84.03
Payroll expenses	-	4.05
Facilities and other expenses	32.10	37.12
Share based payment expenses cross charged to		
Medi Assist Healthcare Services Limited	9.23	6.09
Remuneration to Key Managerial Personnel		
Short term employee benefits	10.73	10.73

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

(Rs in millions)

Particulars	As at 31 March 2018	As at 31 March 2017
Amount payable towards rendering of services		
Medi Assist Healthcare Services Limited	316.66	209.85
Other receivables		
Medi Assist Healthcare Services Limited	18.00	8.77

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 2018 and 31 March 2017 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 2018 and 31 March 2017.

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 2018	As at 31 March 2017
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal	-	-
Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

38 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since it doesnot pertain to financial year ended 31 March 2018.

During the previous year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Rs in millions)

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 8 November 2016	0.18	0.04	0.22
(+) Permitted receipts	-	0.07	0.07
(+) Withdrawal from bank	-	0.73	0.73
(-) Permitted payments	-	0.75	0.75
(-) Amount deposited in Banks	0.18	-	0.18
Closing cash in hand as on 30 December 2016	-	0.08	0.08

39 Events after the reporting date

The Company evaluated all events or transactions that occurred after the balance sheet date through 29 May 2018, 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.

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

Arjun Ramesh
Partner
Membership No.: 218495

Place: Bengaluru
Date: 29 May 2018

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

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

Place: Bengaluru
Date: 29 May 2018

Satish Gidugu
Director
DIN : 06643677

Place: Bengaluru
Date: 29 May 2018

Medi Assist Insurance TPA Private Lt
Bangalore