INDEPENDENT AUDITOR'S REPORT

To the Members of **Mahindra Insurance Brokers Limited**
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **Mahindra Insurance Brokers Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibilities for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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, Statement of Change in Equity and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting 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 the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) 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 does not have any pending litigations;

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

   iii. During the year, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
Mumbai, April 18, 2019

ANNEXURE A TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

   (b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies at reasonable intervals and discrepancies noticed during the verification were not material and have been properly dealt with in the books of accounts.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company. Accordingly, paragraph 3(i)(c) of the order is not applicable to the Company.

2. The Company is in the business of providing insurance broking services and does not hold any inventory. Therefore, the reporting under paragraph 3(ii) of the said order is not applicable to the Company.

3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the reporting under paragraph 3(i), (ii), and (iii) of the Order is not applicable to the Company.

4. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

5. According to information and explanation given to us, the Company has not accepted any deposit from the public within the meaning of the directives issued by the Reserve Bank of India, and the provisions of Sections 73-76 of the Act apply and the Rules made thereunder to the extent notified. Accordingly, the reporting under paragraph 3(v) of the order is not applicable to the Company.

6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Thus reporting under paragraph 3(vi) of the Order is not applicable to the Company.

7. (a) According information and explanations given to us and records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Custom duty, Cess and other statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts in respect of the aforesaid items which were unpaid at the balance sheet date for a period of more than six months from the date they became due.

   (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Value Added Tax and Goods & Service Tax which have not been deposited on account of any dispute.

8. The Company has not taken any loans or borrowings from financial institutions, bank and government and has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

9. The Company has not raised moneys by way of initial public offer or further public (including debt instruments) or term loans and hence reporting under paragraph 3(ix) of the Order is not applicable to the Company.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officer or employees has been noticed or reported during the year.

11. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanation given to us, the Company is in compliance with Section 177 and Section 188 of the Act where applicable, for all transactions with the related parties and the details of related party transaction have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the paragraph 3(xiv) of the Order is not applicable to the company.

15. The Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, the paragraph 3(xv) of the Order is not applicable to the Company.

16. The Company is not required to register under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Mumbai, April 18, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mahindra Insurance Brokers Limited** ("the Company") as of March 31, 2019 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Mumbai, April 18, 2019

BALANCE SHEET AS AT 31 MARCH 2019

₹ in Lakhs

		Note No.	As at 31 March 2019	As at 31 March 2018
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	1	**945.26**	503.76
	(b) Other Intangible Assets	2	**142.97**	124.01
	(c) Intangible Assets Under Development		**79.41**	45.60
	(d) Financial Assets			
	(i) Investments	3	**2,075.00**	1,550.00
	(ii) Loans	4	**0.61**	1.01
	(iii) Other Financial Assets	5	**184.57**	371.45
	(e) Deferred Tax Assets (net)	6	**392.25**	326.18
	(f) Other Non-current Assets	7	**247.79**	178.84
	SUB-TOTAL		**4,067.86**	3,100.85
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Investments	3	**1,662.93**	5,725.00
	(ii) Trade Receivables	8	**7,607.12**	6,585.23
	(iii) Cash and Cash Equivalents	9	**563.36**	1,095.10
	(iv) Loans	4	**29,848.49**	21,447.96
	(v) Other Financial Assets	5	**1,478.10**	1,193.87
	(b) Other Current Assets	7	**1,498.36**	527.91
	SUB-TOTAL		**42,658.36**	36,575.07
	TOTAL ASSETS		**46,726.22**	39,675.92
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	10	**1,030.93**	257.73
	(b) Other Equity	11	**37,055.45**	31,293.41
	SUB-TOTAL		**38,086.38**	31,551.14
	LIABILITIES			
1	**NON-CURRENT LIABILITIES**			
	(a) Provisions	12	**711.76**	520.63
	SUB-TOTAL		**711.76**	520.63
2	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) Micro and small enterprises	13	**–**	–
	(b) Others	13	**4,583.47**	4,596.78
	(ii) Other Financial Liabilities	14	**13.47**	20.55
	(b) Provisions	12	**1,999.97**	1,911.18
	(c) Other Current Liabilities	15	**1,331.17**	1,075.64
	SUB-TOTAL		**7,928.08**	7,604.15
	TOTAL		**46,726.22**	39,675.92

The accompanying statement of accounting policies and notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached.

For B K Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date: April 18, 2019

For and on behalf of the Board of Directors

Rajeev Dubey	Ramesh Iyer	V Ravi	Hemant Sikka	Nityanath Ghanekar
Chairman	**Director**	**Director**	**Director**	**Director**
DIN: 00104817	DIN: 00220759	DIN: 00307328	DIN: 00922281	DIN: 00009725
Anjali Raina	Derek Nazareth	Dr Jaideep Devare	Rupa Joshi	Saurabh V. Dharadhar
Director	**Director**	**Managing Director**	**Company Secretary**	**Chief Financial Officer**
DIN: 02327927	DIN: 07031760	DIN: 00009112	Mem No.: ACS 17395	

Place: Mumbai
Date: April 18, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

	Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
I	Revenue from operations	16	**29,798.44**	22,244.98
II	Other Income	17	**2,537.91**	2,268.41
III	**Total Revenue (I + II)**		**32,336.35**	24,513.39
IV	**EXPENSES**			
	(a) Employee benefit expense	18	**9,102.32**	9,316.17
	(b) Depreciation and amortisation expense	1, 2	**361.56**	234.16
	(c) Other expenses	19	**12,583.10**	6,645.82
	Total Expenses [(a) + (b) + (c)]		**22,046.98**	16,196.15
V	**Profit/(loss) before tax (III - IV)**		**10,289.37**	8,317.24
VI	**Tax Expense**			
	(1) Current tax	6	**3,188.00**	3,123.00
	(2) Deferred tax	6	**(48.02)**	(154.01)
	(3) Excess provisions of earlier years written back		**–**	(10.60)
	Total tax expense [(1) + (2) + (3)]		**3,139.98**	2,958.39
VII	**Profit/(loss) for the period [V - VI]**		**7,149.39**	5,358.85
VIII	**Other comprehensive income**		**(43.95)**	(142.19)
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	Remeasurements of the defined benefit plans		**(62.00)**	(200.61)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**18.05**	58.42
IX	**Total comprehensive income for the period (VII+VIII)**		**7,105.44**	5,216.66
X	**Earnings per equity share:**			
	(1) Basic	20	**69.35**	51.98
	(2) Diluted	20	**69.35**	51.98

The accompanying statement of accounting policies and notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached.

For B K Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date: April 18, 2019

For and on behalf of the Board of Directors

Rajeev Dubey	Ramesh Iyer	V Ravi	Hemant Sikka	Nityanath Ghanekar
Chairman	**Director**	**Director**	**Director**	**Director**
DIN: 00104817	DIN: 00220759	DIN: 00307328	DIN: 00922281	DIN: 00009725
Anjali Raina	Derek Nazareth	Dr Jaideep Devare	Rupa Joshi	Saurabh V. Dharadhar
Director	**Director**	**Managing Director**	**Company Secretary**	**Chief Financial Officer**
DIN: 02327927	DIN: 07031760	DIN: 00009112	Mem No.: ACS 17395	

Place: Mumbai
Date: April 18, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities			
Profit before tax for the year	PL	**10,289.37**	8,317.24
Adjustments for:			
Investment income recognised in profit or loss		**(2,537.76)**	(2,246.40)
Loss/(Gain) on disposal of property, plant and equipment	19	**6.21**	(0.48)
Impairment loss recognised on trade receivables	8	**81.25**	(15.09)
Depreciation and amortisation of non-current assets	1 & 2	**361.56**	234.16
		8,200.63	6,289.43
Movements in working capital:			
Increase in trade and other receivables		**(1,103.12)**	(3,900.86)
(Increase)/decrease in other assets		**(1,058.10)**	(421.21)
Decrease in trade and other payables		**(20.38)**	3,956.54
Increase/(decrease) in provisions		**1,111.92**	287.50
(Decrease)/increase in other liabilities		**255.54**	875.06
		(814.14)	797.03
Cash generated from operations		**7,386.49**	7,086.46
Income taxes paid		**(4,088.97)**	(2,404.23)
Net cash generated by operating activities		**3,297.52**	4,682.23
Cash flows from investing activities			
Interest received	5	**2,452.99**	3,188.81
Amounts advanced to related parties		**(22,875.00)**	(24,195.00)
Repayments by related parties		**18,125.00**	18,010.00
Amounts advanced - other investments		**(2,000.00)**	–
Repayments - other investments		**1,900.00**	–
Payments for property, plant and equipment		**(762.05)**	(318.30)
Proceeds from disposal of property, plant and equipment	1	**21.00**	12.72
Payments for intangible assets/intangible assets under developments		**(120.99)**	(116.59)
Net cash (used in)/generated by investing activities		**(3,259.05)**	(3,418.36)
Cash flows from financing activities			
Expenses for issue of bonus shares		**(10.93)**	–
Dividends paid to owners of the Company		**(559.28)**	(542.83)
Net cash used in financing activities		**(570.21)**	(542.83)
Net increase in cash and cash equivalents		**(531.74)**	721.04
Cash and cash equivalents at the beginning of the year		**1,095.10**	374.06
Effects of exchange rate changes on the balance of cash held in foreign currencies		**–**	–
Cash and cash equivalents at the end of the year		**563.36**	1,095.10

Note:

The above cash flow statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows

The accompanying statement of accounting policies and notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached. For and on behalf of the Board of Directors

For B K Khare & Co.					
Chartered Accountants	Rajeev Dubey	Ramesh Iyer	V Ravi	Hemant Sikka	Nityanath Ghanekar
Firm Regn No. 105102W	**Chairman**	**Director**	**Director**	**Director**	**Director**
	DIN: 00104817	DIN: 00220759	DIN: 00307328	DIN: 00922281	DIN: 00009725
Shirish Rahalkar	Anjali Raina	Derek Nazareth	Dr Jaideep Devare	Rupa Joshi	Saurabh V. Dharadhar
Partner	**Director**	**Director**	**Managing Director**	**Company Secretary**	**Chief Financial Officer**
Membership No. 111212	DIN: 02327927	DIN: 07031760	DIN: 00009112	Mem No.: ACS 17395	
Place: Mumbai					Place: Mumbai
Date: April 18, 2019					Date: April 18, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

A. Equity share capital

	₹ in Lakhs
As at 1 April 2017	**257.73**
Changes in equity share capital during the year	–
As at 31 March 2018	**257.73**
Changes in equity share capital during the year	773.20
As at 31 March 2019	**1030.93**

B. Other Equity

₹ in Lakhs

	Reserves and Surplus			Items of other comprehensive income	
	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurement loss (net) on defined benefit plans	**Total**
As at 1 April 2017	1,589.50	1,658.43	23,377.35	(5.70)	26,619.58
Profit/(Loss) for the period	–	–	5,358.85	–	5,358.85
Other Comprehensive Income/(Loss)	–	–	–	(142.19)	(142.19)
Total Comprehensive Income for the year	–	–	5,358.85	(142.19)	5,216.66
Dividend paid on Equity Shares	–	–	(451.02)	–	(451.02)
Dividend Distribution Tax	–	–	(91.81)	–	(91.81)
Transfers from retained earnings	–	–	–	–	–
As at 1 April 2018	1,589.50	1,658.43	28,193.37	(147.89)	31,293.41
Profit/(Loss) for the period	–	–	7,149.39		7,149.39
Other Comprehensive Income/(Loss)	–	–	–	(43.95)	(43.95)
Total Comprehensive Income for the year	–	–	7,149.39	(43.95)	7,105.44
Dividend paid on Equity Shares	–	–	(463.92)	–	(463.92)
Dividend Distribution Tax	–	–	(95.36)	–	(95.36)
Transfers from retained earnings (Issue of bonus shares and related expenses)	–	–	(784.12)	–	(784.12)
As at 31 March 2019	**1,589.50**	**1,658.43**	**33,999.36**	**(191.84)**	**37,055.45**

The accompanying statement of accounting policies and notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached.

For and on behalf of the Board of Directors

For B K Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

Rajeev Dubey, **Chairman**, DIN: 00104817
Ramesh Iyer, **Director**, DIN: 00220759
V Ravi, **Director**, DIN: 00307328
Hemant Sikka, **Director**, DIN: 00922281
Nityanath Ghanekar, **Director**, DIN: 00009725

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date: April 18, 2019

Anjali Raina, **Director**, DIN: 02327927
Derek Nazareth, **Director**, DIN: 07031760
Dr Jaideep Devare, **Managing Director**, DIN: 00009112
Rupa Joshi, **Company Secretary**, Mem No.: ACS 17395
Saurabh V. Dharadhar, **Chief Financial Officer**

Place: Mumbai
Date: April 18, 2019

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2019.

1 Company overview

Mahindra Insurance Brokers Limited is a Public Limited Company incorporated and domiciled in India. The Company's registered office is at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018. The Company is primarily involved in the business of rendering insurance broking services.

The immediate parent Company is Mahindra & Mahindra Financial Services Limited and ultimate parent Company is Mahindra & Mahindra Limited, a company incorporated in Mumbai, India.

2 Basis of preparation

a. Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. Based on nature of services and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabiities.

The financial statements of the Company for the year ended March 31, 2019 were authorised for issue by the Company's Board of Directors on April 18, 2019.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts are rounded-off to the nearest lacs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
– Certain financial assets and liabilities which are generally derivative instruments	Fair value
– Liabilities for cash-settled share-based payment arrangements	Fair value
– Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligations

d. Measurement of fair values

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

The Company has established policies and procedures with respect to the measurement of fair values. The Chief Financial Officer and person entrusted has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, including assessments that these valuations meet the requirements of Ind AS. Significant valuation issues are reported to audit committee.

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 and liabilties.

– Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: Inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

e. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Following are areas that involved a higher degree of judgement or complexity in determining the carrying amount of some assets and liabilities. Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment in the year ending March 31, 2019 is included in relevant notes.

– Estimation of current tax expense and payable

– Estimated useful life of property, plant and equipments

– Estimated useful life of intangible assets

– Estimation of defined benefit obligation

– Impairment of trade receivables

– Recognition of revenue under perecentage completion method

– Estimation of shared based payments

Estimates and judgements are continusally evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 Significant accounting policies

a. Property, plant and equipment :

Recognition and measurement

All the items classified under property plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other expenses in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives as specified in the Schedule II of the Act or estimated by the management using straight-line method and is generally recognised in the statement of profit or loss except:

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2019.

i. Motor cars where useful life is estimated at 4 years as against 8 years per Schedule II since the employees to whom these cars have been allotted as part of their terms of employment are entitled to change their vehicles every four years, and

ii. Fixed assets having value individually less than INR 5000 where useful life is estimated at less than one year having regard to the nature of these assets and the difficulty in estimating the useful life.

Further, residual value for all assets is considered Nil having regard to the difficulty in reasonably estimating the same and, in the case of motor cars, having regard to terms of employment under which these are allotted to the employees.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of asset	**Year ended 31 March 2019**	Year ended 31 March 2018
Plant and equipment (including Computers)	**2-6 years**	2-6 years
Office equipments	**5 years**	5 years
Furniture and fixtures	**10 years**	10 years
Leasehold Premises	**Over the period of lease**	Over the period of lease
Vehicles	**4 years**	4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis

b. Intangible Assets :

Intangible Assets are initially recognised at cost.

Amortisation

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less accumulated amortisation and accumulated impairment, if any. Amortisation of intangible assets with finite useful lives is calculated on cost of intangible assets less their estimated residual values over their estimated useful lives using straight-line method and is generally recognised in the statement of profit or loss.

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

Class of asset	**Year ended 31 March 2019**	Year ended 31 March 2018
Computer software	**3 years**	3 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis.

Intangible assets under development

The Company capitalizes intangible asset under development in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

c. Impairment of assets other than financial assets :

Impairment of tangible and intangible assets other than goodwill

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

d. Foreign currency:

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

e. Financial instruments:

Recognition and initial measurement

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

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2019.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI - debt investment;
- FVOCI - equity investment;
- FVTPL

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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

All financial asset not classified as measured at amortised cost or FVOCI as described above are measured at fair value through profit or loss (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 or at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above). Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost are susequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss derecognition is recognised in profit or loss.

Debt investment at FVOCI are are susequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclssified to profit or loss.

Equity investment at FVOCI are are susequently measured at fair value. Dividends are recognised as income in profit or 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 profit or loss.

Financial assets at FVTPL are susequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities and equity instruments:

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2019.

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

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 profit or loss. The dividends on mandatorily redeemable preference shares are recognised in profit or loss as interest expense. 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compound financial instruments

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

Conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to [share premium/other equity]. Where the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to [retained profits/other equity]. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

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.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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 profit or loss.

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.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Impairment of financial instruments

The Company recognises a loss allowance for expected credit losses (ECL) on:

- Financial assets measured at amortised cost;
- Financial assets measured at FVOCI - debt investments;

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2019.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

f. Revenue Recognition :

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are exclusive of GST and net of revenue on policy cancellations and endorsements.

Rendering of services

Brokerage Income, Handling Charges & Broker Retainer Fees is accounted for net of GST amount on rendition of services. Brokerage income is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier. The Company recognises revenue from rendering of consultancy services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Dividend and interest income

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest income is recognised using effective interest method when it is probable that the economic benefits associated with the interest will flow to the Company, and the amount of the interest can be measured reliably. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

g. Employee benefits:

Superannuation Fund, ESIC and Labour Welfare Fund

The Company's contribution paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in profit or loss.

Provident Fund

Contributions to Provident Fund are charged to profit or loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to the members at the rate declared by the Government of India.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Compensated Absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

Cash settled share based payments

Cash Settled Share Based Payments, the fair value of the amount payable to employees is recognized as 'employee benefit expenses with corresponding increase in liabilities, over the period of non market vesting conditions getting fulfilled. The fair value of the option at the grant date is calculated by an independent valuer basis Black Scholes model. The Liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefit expenses.

h. Taxation:

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 entended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2019.

or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

i. Provisions :

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows 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, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

j. Leasing :

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

k. Segment Reporting

Operating Segments are reported consistently with the internal reporting provided to the Managing Director. The highest decision making executive is responsible for allocating resources to and assessing the performance of the operating segments. The highest decision making body is Managing Director.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average numbers of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note No. 1 - Property, Plant and Equipment

₹ in Lakhs

Description of Assets		Plant and Equipment (including computers)	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Amount**						
	Balance as at 1 April 2018	541.69	–	84.78	80.20	466.95	1,173.62
	Additions	113.03	177.81	171.90	78.74	220.57	762.05
	Disposals	6.41	–	8.18	9.27	104.47	128.33
	Balance as at 31 March 2019	**648.31**	**177.81**	**248.50**	**149.67**	**583.05**	**1,807.34**
II.	**Accumulated depreciation and impairment**						
	Balance as at 1 April 2018	348.83	–	50.85	22.06	248.12	669.86
	Depreciation expense for the year	113.86	10.05	31.09	24.34	114.01	293.35
	Eliminated on disposal of assets	5.56	–	6.40	4.83	84.34	101.13
	Balance as at 31 March 2019	**457.13**	**10.05**	**75.54**	**41.57**	**277.79**	**862.08**
III.	**Net carrying amount (I-II)**	**191.18**	**167.76**	**172.96**	**108.10**	**305.26**	**945.26**

₹ in Lakhs

Description of Assets		Plant and Equipment (including computers)	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	Gross Carrying Amount						
	Balance as at 1 April 2017	402.93	–	70.24	62.81	377.80	913.78
	Additions	138.76	–	16.14	30.73	132.67	318.30
	Disposals	–	–	1.60	13.34	43.52	58.46
	Balance As at 31 March 2018	541.69	–	84.78	80.20	466.95	1,173.62
II.	Accumulated depreciation and impairment						
	Balance as at 1 April 2017	258.56	–	39.18	16.52	196.39	510.65
	Depreciation expense for the year	90.27	–	13.27	7.82	94.07	205.43
	Eliminated on disposal of assets	–	–	1.60	2.28	42.34	46.22
	Balance as at 31 March 2018	348.83	–	50.85	22.06	248.12	669.86
III.	Net carrying amount (I-II)	192.86	–	33.93	58.14	218.83	503.76

Note No. 2 - Other Intangible Assets

₹ in Lakhs

Description of Assets		Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at 1 April 2018	154.85	154.85
	Additions from separate acquisitions	87.17	87.17
	Balance as at 31 March 2019	**242.02**	**242.02**
II.	**Accumulated depreciation and impairment**		
	Balance as at 1 April 2018	30.84	30.84
	Amortisation expenses for the year	68.21	68.21
	Balance as at 31 March 2019	**99.05**	**99.05**
III.	**Net carrying amount (I-II)**	**142.97**	**142.97**

Description of Assets		Computer Software	Total
I.	Gross Carrying Amount		
	Balance as at 1 April 2017	25.65	25.65
	Additions from separate acquisitions	129.20	129.20
	Balance as at 31 March, 2018	154.85	154.85
II.	Accumulated depreciation and impairment		
	Balance as at 1 April 2017	2.11	2.11
	Amortisation expenses for the year	28.73	28.73
	Balance as at 31 March, 2018	30.84	30.84
III.	Net carrying amount (I-II)	124.01	124.01

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note No. 3 - Investments

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Amounts Current	**Amounts Non Current**	Amounts Current	Amounts Non Current
Investments Carried at Amortised Cost				
Investment in Fixed Deposits with Mahindra & Mahindra Financial Services Limited	**1,550.00**	**2,075.00**	5,725.00	1,550.00
TOTAL INVESTMENTS CARRIED AT AMORTISED COST	**1,550.00**	**2,075.00**	5,725.00	1,550.00
Investments Carried at Fair Value Through Profit and Loss				
Quoted investments				
Investments in Mutual Funds	**112.93**	–	–	–
TOTAL INVESTMENTS CARRIED AT FAIR VALUE	112.93	–	–	–
TOTAL INVESTMENTS	**1,662.93**	**2,075.00**	5,725.00	1,550.00

Note No. 4 - Loans

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	**Non-Current**	Current	Non-Current
a) **Loans to related parties (Refer Note Below)**				
– Unsecured, considered good	**29,800.00**	**–**	21,400.00	–
TOTAL (a)	**29,800.00**	**–**	21,400.00	–
b) **Other Loans**				
– Unsecured, considered good	**48.49**	**0.61**	47.96	1.01
TOTAL (b)	**48.49**	**0.61**	47.96	1.01
TOTAL LOANS	**29,848.49**	**0.61**	21,447.96	1.01

Note: The above loans comprising Inter- Corporate Deposits have been given for general purpose of the business.

Note No. 5 - Other financial assets

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	**Non-Current**	Current	Non-Current
Financial assets at amortised cost				
Interest Accrued but not due	**1,478.10**	**7.20**	1,193.87	219.58
Security Deposits	**–**	**97.14**	–	91.87
Capital Advance	**–**	**20.23**	–	–
Bank Deposit with more than 12 months maturity	**–**	**60.00**	–	60.00
TOTAL	**1,478.10**	**184.57**	1,193.87	371.45

The Bank Deposit with more than 12 months maturity is under lien to the IRDAI as per the IRDAI (Insurance Brokers) Regulations 2018.

Note No. 6 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

₹ in Lakhs

Particulars	**Year ended 31 March 2019**	Year ended 31 March 2018
Current Tax:		
In respect of current year	**3,188.00**	3,123.00
In respect of prior years	**-**	(10.60)
	3,188.00	3,112.40
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(48.02)**	(154.01)
	(48.02)	(154.01)
Total income tax expense	**3,139.98**	2,958.39

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(b) Income tax recognised in other Comprehensive income

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current Tax		
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**(18.05)**	(58.42)
Total	**(18.05)**	(58.42)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(18.05)**	(58.42)
Total	**(18.05)**	(58.42)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax from continuing operations	**10,289.37**	8,317.24
Income tax expense calculated at 29.12% (2018: 34.608%)	**2,996.25**	2,878.43
Effect of expenses that is non-deductible in determining taxable profit	**338.63**	191.55
Effect of tax incentives and concessions (other allowances)	**(194.90)**	(100.99)
	3,139.98	2,968.99
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	(10.60)
Income tax expense recognised In profit or loss	**3,139.98**	2,958.39

(d) Movement in deferred tax balances

₹ in Lakhs

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
		For the Year ended 31 March 2019		
Tax effect of items constituting deferred tax assets				
Employee Benefits	**194.19**	**38.92**	**18.05**	**251.16**
Property, Plant and Equipment	**40.70**	**25.22**	**–**	**65.92**
Provisions	**91.29**	**(16.12)**	**–**	**75.17**
	326.18	**48.02**	**18.05**	**392.25**
Net Tax Asset (Liabilities)	**326.18**	**48.02**	**18.05**	**392.25**

₹ in Lakhs

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
		For the Year ended 31 March 2018		
Tax effect of items constituting deferred tax assets				
Employee Benefits	75.86	59.91	58.42	194.19
Property, Plant and Equipment	22.81	17.89	–	40.70
Provisions	15.08	76.21	–	91.29
	113.75	154.01	58.42	326.18
Net Tax Asset (Liabilities)	113.75	154.01	58.42	326.18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note No. 7 - Other assets

₹ in Lakhs

Particulars	**As at 31 March 2019**		As at 31 March 2018	
	Current	**Non-Current**	Current	Non- Current
(a) Advances other than capital advances				
(i) Earnest Money Deposit	**0.15**	**–**	0.10	–
(ii) Balances with government authorities (other than income taxes)	**1,059.83**	**–**	217.84	–
(iii) Other assets	**438.38**	**–**	309.97	–
(b) Advance payment of tax (net of provisions)	**–**	**247.79**	–	178.84
Total Other Assets	**1,498.36**	**247.79**	527.91	178.84

Note No. 8 - Trade receivables

₹ in Lakhs

Particulars	**As at 31 March 2019**		As at 31 March 2018	
	Current	**Non-Current**	Current	Non-Current
Trade receivables				
(a) Secured, considered good	**–**	**–**	–	–
(b) Unsecured, considered good	**7,607.12**	**–**	6,585.23	–
(c) Significant increase in credit risk	**–**	**–**	–	–
(d) Credit Impaired	**109.75**	**–**	28.50	–
Less: Allowance for Expected Credit Loss	**109.75**	**–**	28.50	–
Total	**7,607.12**	**–**	6,585.23	–
Of the above, trade receivables from:				
– Related Parties	**2,923.36**	**–**	1,740.66	–
– Others	**4,683.76**	**–**	4,844.57	–
Total	**7,607.12**	**–**	6,585.23	–

Refer Note 22 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

Note No. 9 - Cash and Bank Balances

₹ in Lakhs

Particulars	**As at 31 March 2019**	As at 31 March 2018
Cash and cash equivalents		
(a) Balances with banks	**560.66**	1,093.04
(b) Cash on hand	**2.70**	2.06
Total Cash and cash equivalent	**563.36**	1,095.10

Note No. 10 - Equity share capital

Particulars	**As at 31 March 2019**		As at 31 March 2018	
	No. of shares	**₹ in Lakhs**	No. of shares	₹ in Lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	**15,000,000**	**1,500.00**	3,500,000	350.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	**10,309,280**	**1,030.93**	2,577,320	257.73
Total	**10,309,280**	**1,030.93**	2,577,320	257.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note No. 10 - Equity share capital (contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

₹ in Lakhs

Particulars	**Opening Balance**	**Fresh Issue**	**Bonus**	**ESOP**	**Closing Balance**
(a) Equity Shares with Voting rights*					
Year Ended 31 March 2019					
No. of Shares	2,577,320	–	7,731,960	–	10,309,280
Amount	257.73	–	773.20	–	1,030.93
Year Ended 31 March 2018					
No. of Shares	2,577,320	–	–	–	2,577,320
Amount	257.73	–	–	–	257.73

*** Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	**No. of Shares**		
	Equity Shares with Voting rights	**Equity Shares with Differential Voting rights**	**Others**
As at 31 March 2019			
Mahindra and Mahindra Financial Services Limited, the Holding Company	**8,247,424**	**–**	**–**
As at 31 March 2018			
Mahindra and Mahindra Financial Services Limited, the Holding Company	2,061,856	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	**As at 31 March 2019**		As at 31 March 2018	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Mahindra and Mahindra Financial Services Limited	**8,247,424**	**80%**	2,061,856	80%
Inclusion Resource Pte Limited	**2,061,856**	**20%**	515,464	20%

(iv) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date:

Particulars	**Aggregate number of shares**				
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
<u>Equity shares with voting rights</u>					
a. Fully paid up pursuant to contract(s) without payment being received in cash	**–**	–	–	–	–
b. Fully paid up by way of bonus shares	**7,731,960**	–	–	–	–
c. Shares bought back	**–**	–	–	–	–

(v) Issue/ Transfer of shares

31 March 2018

As per revised pricing guidelines stipulated by Reserve Bank of India in A.P. (DIR Series) Circular no. 4 dated July 15, 2014, for Foreign Direct Investment on Issue/ Transfer of shares or Convertible Debentures, following are the details with respect to valuation of shares.

Sr No.	**Pricing Methodology adopted**	**Company Valuation (₹ In Lakhs)**	**Value per share**
A	Fair Market Value as per Discounted Cash Flow Method	104,168	4,042
B	Fair Market Value as per Precedent Transaction/ Transaction Multiples Method	152,081	5,901
C=(A+b)/2	Fair Market Value Per Share	128,125	4,972

The above valuation has been certified by Batliwala & Karani Securities India Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note No. 11 - Other Equity

Description of the Nature and Purpose of Other Equity

Securities Premium Account: The securities premium is created on issue of shares at a premium

General Reserve: The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilized by the Company in accordance with the Companies Act, 2013.

For movement in Other Equity, please refer the "Statement of Changes in Equity for the Year ended 31 March 2019"

Details of dividend paid/proposed

₹ in Lakhs

Particulars	31-Mar-19	31-Mar-18
Cash dividends on equity shares declared and paid		
Final dividend for the Year ended on 31 March 2018: Rs 18.00 per share (31 March 2017: Rs 17.50 per share)	**463.92**	451.02
Dividend Distribution Tax on final dividend	**95.36**	91.81
	559.28	542.83
Proposed dividends on Equity shares		
Final dividend for the Year ended on 31 March 2019: Rs.7.50 per share (31 March 2018: Rs. 18.00 per share)	**773.20**	463.92
Dividend Distribution Tax on proposed dividend	**158.93**	95.36
	932.13	559.28

Proposed dividends on equity shares are subject to approval in annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at 31 March.

Note No. 12 - Provisions

₹ in Lakhs

Particulars		As at 31 March 2019		As at 31 March 2018	
		Current	Non- Current	Current	Non- Current
(a)	Provision for employee benefits*				
	– Long-term Employee Benefits	**1,957.81**	**711.76**	1,037.02	520.63
(b)	Other Provisions				
	– Provision for tax (net of advance tax paid)	**42.16**	**–**	874.16	–
Total Provisions		**1,999.97**	**711.76**	1,911.18	520.63

* In February 2019, Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and therefore has currently not considered any probable obligations for past periods. Accordingly, the Company has made a provision for provident fund contribution from the date of the Supreme Court order.

Note No. 13 - Trade Payables

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non-Current	Current	Non-Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro and small enterprises	**4,583.47**	**–**	4,596.78	–
Total trade payables	**4,583.47**	**–**	4,596.78	–

Note No. 14 - Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Other Financial Liabilities Measured at Amortised Cost		
Current		
(i) Other liabilities		
(1) Others	**13.47**	20.55
(2) Creditors for capital supplies/services	**-**	-
Total other financial liabilities	**13.47**	20.55

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note No. 15 - Other Liabilities

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non-Current	Current	Non-Current
Statutory dues				
– taxes payable (other than income taxes)	1,053.04	–	736.68	–
– Employee Recoveries and Employer Contributions	278.13	–	338.96	–
Total Other Liabilities	**1,331.17**	–	1,075.64	–

Note No. 16 - Revenue from Operations

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from rendering of services		
(a) Brokerage	16,686.54	13,799.49
(b) Broker retainer fees	7,144.27	5,704.46
(c) Handling charges	5,907.78	2,730.07
(d) Consultancy fees	59.85	10.96
Total Revenue from Operations	**29,798.44**	22,244.98

Note No. 17 - Other Income

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Interest Income		
– On Financial Assets at Amortised Cost	2,524.82	2,251.44
(b) Provision for debtors written back	–	15.09
(c) Excess provisions written back (wealth tax and fringe benefit tax)	–	1.40
(d) Profit on sale of property, plant & equipments	–	0.48
(e) Dividend Income	12.93	–
– On Financial Assets Fair Value through Profit or Loss		
(f) Miscellaneous Income	0.16	–
Total Other Income	**2,537.91**	2,268.41

Note No. 18 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
(a) Salaries and wages, including bonus**	8,042.89	8,617.82
(b) Contribution to provident and other funds	383.72	340.23
(c) Gratuity Expenses	106.99	75.61
(d) Share based payment transactions expenses		
(1) Cash-settled share-based payments	368.26	99.07
(e) Staff welfare expenses	200.46	183.44
Total Employee Benefit Expense	**9,102.32**	9,316.17

**Includes one time reward of Rs. 2,139.37 lakhs given to employees during the year ended 31 March 2018.

Cash-settled share-based payments

In respect of the Cash-settled share-based payments, Employee Stock Options (ESOS) of the ultimate holding company Mahindra & Mahindra Limited and the holding company Mahindra & Mahindra Financial Services Limited (MMFSL) are issued to eligible employees of the Company. The Company makes the necessary payment to the respective Ultimate holding company and holding company.

Further refer Note No. 27 for Employees Phantom Stock Option Plan 2019

Note No. 19 - Other Expenses

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Distribution fees*	8,632.22	3,352.15
(b) Power & fuel	74.21	49.66
(c) Rent including lease rentals	531.41	406.57
(d) Rates and taxes	19.35	17.42
(e) Insurance	238.03	251.75
(f) Postage, Telephone and Communication	173.68	197.10
(g) Software Charges	1.29	3.85
(h) Repairs - Others	124.95	22.31
(i) Administration Support Charges	162.87	165.62
(j) Manpower Contracting Charges	361.39	232.97
(k) Advertisement	4.34	-
(l) Miscellaneous expenses	820.46	718.44
(m) Sales promotion expenses	109.09	92.18
(n) Travelling and Conveyance Expenses	679.49	542.51
(o) Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013.	160.33	152.79

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
(p)	Doubtful trade and other receivables written off	**81.25**	105.78
(q)	Auditors remuneration and out-of-pocket expenses	**16.11**	15.06
	(i) As Auditors	**5.00**	5.00
	(ii) For Taxation matters	**2.50**	2.50
	(iii) For Other services	**8.03**	7.35
	(iv) For reimbursement of expenses	**0.58**	0.21
(r)	Directors' Commission#	**14.00**	146.01
(s)	Directors' Sitting Fees	**6.40**	7.74
(t)	Legal and other professional costs	**348.59**	163.95
(u)	Loss on sale of property, plant and equipments	**6.21**	–
(v)	Loss on foreign exchange	**17.43**	1.96
Total Other Expenses		**12,583.10**	6,645.82

* Distribution fees are the payments made to Motor Insurance Service Providers (Automotive Dealers) as per the Guidelines issued under section 34 of the Insurance Act, 1938 and section 14 of the IRDA Act, 1999 on Motor Insurance Service Provider with effect from 1st November 2017

Directors' Commission includes one time reward of Rs.134.01 lakhs given to directors during the year ended 31 March 2018.

Note No. 20 - Earnings per Share

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
	Per Share	Per Share
Basic earnings per share	**69.35**	51.98
Diluted earnings per share	**69.35**	51.98

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Lakhs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) for the year attributable to owners of the Company	**7,149.39**	5,358.85
Less: Preference dividend and tax thereon		
Profit/(loss) for the year used in the calculation of basic earnings per share	**7,149.39**	5,358.85
Weighted average number of equity shares (nos)	**10,309,280**	10,309,280
Earnings per share - Basic (₹)	**69.35**	51.98

Earning per share and Number of Equity shares outstanding for the year ended 31st March, 2018 have been proportionately adjusted for the bonus issue in the ratio of 3:1 as approved by the shareholders on July 18, 2018.

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock options and Convertible bonds for the respective periods, if any.

₹ in Lakhs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) for the year used in the calculation of basic earnings per share	**7,149.39**	5,358.85
Add: Adjustments, if any	**–**	–
Profit/(loss) for the year used in the calculation of diluted earnings per share	**7,149.39**	5,358.85
Profits used in the calculation of diluted earnings per share	**7,149.39**	5,358.85

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Weighted average number of equity shares used in the calculation of Basic EPS	**10,309,280**	10,309,280
Add: Effect of Warrants, if any	**–**	–
ESOPs, if any	**–**	–
Convertible bonds, if any	**–**	–
Others if any	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**10,309,280**	10,309,280

Note No. 21 - Issue of Bonus Shares

The bonus issue in the proporiton of 3:1 i. e. three bonus shares of Rs. 10 each for every one fully paid up equity share held had been approved by the shareholders of the company on July 18, 2018. For this purpose, July 18, 2018 was considered as the record date. Consequently on August 13, 2018, the company allotted 77,31,960 shares and Rs. 773.20 lakhs have been transferred from retained earnings to share capital.

Note No. 22 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position. The Company is subject to minimum capital requirements as stipulated by the IRDAI (Insurance Brokers) Regulations, 2018.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

₹ in Lakhs

	31-Mar-19	31-Mar-18
Equity	**38,086.38**	31,551.14
Less: Cash and cash equivalents	**(563.36)**	(1,095.10)
	37,523.02	30,456.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Categories of financial assets and financial liabilities

₹ in Lakhs

As at 31 March 2019

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**2,075.00**			**2,075.00**
Loans	**0.61**			**0.61**
Other Financial Assets				
– Non Derivative Financial Assets	**184.57**			**184.57**
Current Assets				
Investments	**1,550.00**	**112.93**		**1,662.93**
Trade Receivables	**7,607.12**			**7,607.12**
Other Bank Balances	**563.36**			**563.36**
Loans	**29,848.49**			**29,848.49**
Other Financial Assets				
– Non Derivative Financial Assets	**1,478.10**			**1,478.10**
– Derivative Financial Assets	**–**			**–**
Current Liabilities				
Trade Payables	**4,583.47**			**4,583.47**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**13.47**			**13.47**

₹ in Lakhs

As at 31 March 2018

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	1,550.00			1,550.00
Loans	1.01			1.01
Other Financial Assets				
– Non Derivative Financial Assets	371.45			371.45
Current Assets				
Investments	5,725.00			5,725.00
Trade Receivables	6,585.23			6,585.23
Other Bank Balances	1,095.10			1,095.10
Loans	21,447.96			21,447.96
Other Financial Assets				
– Non Derivative Financial Assets	1,193.87			1,193.87
Current Liabilities				
Trade Payables	4,596.78			4,596.78
Other Financial Liabilities				
– Non Derivative Financial Liabilities	20.55			20.55

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

Trade receivables consist of institutional customers, largely insurance companies. The Company deals only with those insurance companies who have obtained an acceptable level of credit rating. The Company does not have significant credit risk exposure to any single external counterparty. Out of total outstanding 38% of the debtors are pertaining to group companies.

The credit risk on liquid funds invested in Fixed Deposits with companies and Intercorporate Deposits is limited because the counterparties are group companies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

As at 31 March 2019

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount		**7,049.17**	**667.70**	**7,716.87**
Loss allowance provision		**27.97**	**81.78**	**109.75**
		7,021.20	**585.92**	**7,607.12**

As at 31 March 2018

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount		6,480.47	133.26	6,613.73
Loss allowance provision		27.17	1.33	28.50
		6,453.30	131.93	6,585.23

Reconciliation of loss allowance provision for Trade Receivables

₹ in Lakhs

Particulars	**31-Mar-19**	31-Mar-18
Balance as at beginning of the year	**28.50**	43.59
Impairment losses recognised in the year based on lifetime expected credit losses		
– On receivables originated in the year	**81.25**	(15.09)
Impairment losses recognised in the year based on 12 month expected credit losses		
– On receivables originated in the year		
Balance at end of the year	**109.75**	28.50

The loss allowance provision has changed during the period due to delays in recovery of brokerage on insurance contracts brokered.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-19				
Non-interest bearing	**13.47**	**–**	**–**	**–**
Total	**13.47**	**–**	**–**	**–**
31-Mar-18				
Non-interest bearing	20.55	–	–	–
Total	**20.55**	**–**	**–**	**–**

(iii) *Financing arrangements*

The Company does not feel the need to have any borrowing facilities at this stage

(iv) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31-Mar-19				
Non-interest bearing	**1,478.10**	**124.57**	**–**	**–**
Fixed interest rate instruments	**–**	**60.00**	**–**	**–**
Total	**1,478.10**	**184.57**	**–**	**–**
31-Mar-18				
Non-interest bearing	1,193.87	311.45	–	–
Fixed interest rate instruments	–	60.00	–	–
Total	**1,193.87**	**371.45**	**–**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments taking into account the current liquidity requirements. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's/ Company's exposure to currency risk relates primarily to the Company's operating activities in reinsurance broking when transactions are denominated in a different currency from the Company's functional currency.

The Company mitigates its foreign currency risk by entering into reinsurance contracts wherein the risk is to the account of the cedant insurers or the reinsurers.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	31-Mar-19	31-Mar-18
Trade Receivables	USD	–	–
	EUR	–	–
	GBP	–	–
Trade Payables	USD	–	–
	EUR	–	–
	GBP	–	–

Foreign Currency Sensitivity

In management's opinion, any sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure is to the account of the cedant insurer or reinsurer.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company manages its interest rate risk by having a balanced portfolio of long-term as well as short-term fixed deposits with companies as well as intercorporate deposits.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for non-derivative instruments at the end of reporting period.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans given and investments in fixed deposits effected. With all other variables held constant, the Company's profit before tax is affected through the impact on fixed rate investments and interest bearing loans as follows:

₹ in Lakhs

	Currency	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-19	**INR**	**+50**	**159.38**
	INR	**-50**	**(159.38)**
31-Mar-18	INR	+50	128.98
	INR	-50	(128.98)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note No. 23 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

₹ in Lakhs

	31-Mar-19		31-Mar-18	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Loans to related parties	**29,800.00**	**29,800.00**	21,400.00	21,400.00
– Trade and other receivables	**7,607.12**	**7,607.12**	6,585.23	6,585.23
– Loans/lease receivables	**49.10**	**49.10**	48.97	48.97
– Other financial assets	**1,662.67**	**1,662.67**	1,565.32	1,565.32
– Fixed Deposits with Companies	**3,625.00**	**3,625.00**	7,275.00	7,275.00
Total	**42,743.89**	**42,743.89**	36,874.52	36,874.52
Financial liabilities				
Financial liabilities held at amortised cost				
– Trade and other payables	**4,583.47**	**4,583.47**	4,596.78	4,596.78
Total	**4,583.47**	**4,583.47**	4,596.78	4,596.78

Fair value hierarchy as at 31 March 2019

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– Loans to related parties	**–**	**29,800.00**	**–**	**29,800.00**
– Trade and other receivables	**–**	**7,607.12**	**–**	**7,607.12**
– Loans/lease receivables	**–**	**49.10**	**–**	**49.10**
– Other financial assets	**–**	**1,662.67**	**–**	**1,662.67**
– Fixed Deposits with companies	**–**	**3,625.00**	**–**	**3,625.00**
Total	**–**	**42,743.89**	**–**	**42,743.89**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Trade and other payables	**–**	**4,583.47**	**–**	**4,583.47**
Total	**–**	**4,583.47**	**–**	**4,583.47**

Fair value hierarchy as at 31 March 2018

	Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost				
– Loans to related parties	–	21,400.00	–	21,400.00
– Trade and other receivables	–	6,585.23	–	6,585.23
– Loans/lease receivables	–	48.97	–	48.97
– Other financial assets	–	1,565.32	–	1,565.32
– Fixed Deposits with companies	–	7,275.00	–	7,275.00
Total	–	36,874.52	–	36,874.52
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Trade and other payables	–	4,596.78	–	4,596.78
Total	–	4,596.78	–	4,596.78

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. In the opinion of the management, the difference between the carrying value of the above stated financial assets and liabilities is not materially different from their fair value . Accordingly, the fair value and carrying amount are the same.

Note No. 24 - Leases

₹ in Lakhs

Particulars	**For the year ended 31 March 2019**	For the year ended 31 March 2018
Details of leasing arrangements		
As Lessee		
Operating Lease		
The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 2 to 5 years and may be renewed for a further period of 3 to 5 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 15 % every 2.5 to 3 years.		
Future Non-Cancellable minimum lease commitments		
not later than one year	**101.43**	75.19
later than one year and not later than five years	**85.21**	30.28
later than five years	**–**	–
Expenses recognised in the Statement of Profit and Loss		
Minimum Lease Payments	**531.41**	406.57

Note No. 25 - Segment information

The Company has determined the operating segment based of structure of reports reviewed by the Strategic Management Council. For management purposes, the Company is organised into a single business unit and has only one reportable segment namely "Insurance Broking services". The geographical segment is based on the location of client, whether in India or outside India. The Strategic Management Council of the Company monitors the operating results of its business unit for the purpose of making decisions about resource allocation and performance assessment

₹ in Lakhs

Geographic information	**For the Year Ended 31 March 2019**	For the Year Ended 31 March 2018
Revenue from external customers		
India	**29,798.44**	22,244.98
Outside India	**–**	–
Total revenue per statement of profit or loss	**29,798.44**	22,244.98

All Non-current operating assets comprising property, plant and equipment, investment properties and intangible assets, if any are located in India.

Revenue from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

₹ in Lakhs

	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Insurance Broking and auxillary activities	**29,798.44**	22,244.98
Total	**29,798.44**	22,244.98

Revenues from transactions with a single external customer amounts to 10% or more of the entity's revenues.

Note No. 26 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 333.43 lakhs (F-2018 : Rs.287.87 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at		
	31-Mar-19	**31-Mar-18**	**1-Apr-17**
Discount rate(s)	**7.67%**	7.46%	7.36%
Expected rate(s) of salary increase	**7%**	7%	5%
Attrition Rate	**Attrition rate of 20% up to the age of 35, 9% up to age of 45 and 3% thereafter**	Attrition rate of 23% up to the age of 35, 11% up to age of 45 and 10% thereafter	Attrition rate of 13% up to the age of 35, 8% up to age of 45 and 6% thereafter

Defined benefit plans – as per actuarial valuation on 31st March, 2019

₹ in Lakhs

Particulars	Funded Plan	
	Gratuity	
	2019	2018
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**90.58**	75.87
Past service cost and (gains)/losses from settlements	**–**	–
Net interest expense	**16.41**	(0.25)
Components of defined benefit costs recognised in profit or loss	**106.99**	75.62
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amunt included in net interest expense)	**–**	–
Actuarial gains and loss arising form changes in financial assumptions	**–**	–
Actuarial gains and loss arising form experience adjustments	**62.00**	200.61
Others	**–**	–
Componenets of defined benefit costs recognised in other comprehensive income	**62.00**	200.61
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**715.12**	563.39
2. Fair value of plan assets as at 31st March	**392.35**	343.42
3. Surplus/(Deficit)	**322.77**	219.97
4. Current portion of the above	**77.44**	77.27
5. Non current portion of the above	**245.33**	142.70

₹ in Lakhs

Particulars	Funded Plan	
	Gratuity	
	2019	2018
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**563.39**	292.76
2. Add/(Less) on account of Scheme of Arrangement/ Business Transfer	**–**	–
3. *Expenses Recognised in Profit and Loss Account*		
– Current Service Cost	**90.58**	75.87
– Past Service Cost		–
– Interest Expense (Income)	**42.03**	21.55
4. *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(5.93)**	–
ii. Financial Assumptions	**4.91**	137.70
iii. Experience Adjustments	**37.40**	41.11
5. Benefit payments	**(17.26)**	(5.60)
6. Others		
7. Present value of defined benefit obligation at the end of the year	**715.12**	563.39
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**343.41**	296.21
2. Add/(Less) on account of Scheme of Arrangement/ Business Transfer	**–**	–
3. *Expenses Recognised in Profit and Loss Account*		
– Expected return on plan assets	**25.62**	21.80
4. *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
– Actual Return on plan assets in excess of the expected return	**(25.62)**	(21.80)
– Others	**–**	–
5. Contributions by employer (including benefit payments recoverable)	**66.20**	52.80
6. Recoverable/Recovered from LIC	**(0.01)**	–
7. Benefit payments	**(17.26)**	(5.60)
8. Fair value of plan assets at the end of the year	**392.34**	343.41
IV. The Major categories of plan assets		
– Insurer managed funds	**100%**	100%
V. Actuarial assumptions		
1. Discount rate	**7.67%**	7.46%
2. Expected rate of return on plan assets	**7.46%**	7.36%
3. Attrition rate	**Attrition rate of 20% up to the age of 35, 9% up to age of 45 and 3% thereafter**	Attrition rate of 23% up to the age of 35, 11% up to age of 45 and 10% thereafter

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

₹ in Lakhs

Principal assumption		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**2019**	**1**	**-106.5**	**130.2**
	2018	1%	-7.21	7.33
Salary growth rate	**2019**	**1**	**129.84**	**-108**
	2018	1%	6.9	-6.8
Life expectancy	**2019**	**+/- 1 year**	**Negligible**	**Negligible**
	2018	+/- 1 year	Negligible	Negligible

In March 18 the sensivity was calculated as increase or decrease by 1%. In March 19, the sensivity figures are calculated with absolute increase or decrease by 1.

Sensitivies due to mortality & withdrawals are not material & hence impact of change due to thease not calculated. Sensitivies as rate of increase of pension payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. 100 lakhs to the gratuity trusts during the next financial year of 2020.

Maturity profile of defined benefit obligation:

		₹ in Lakhs
	2019	2018
Within 1 year	**141.48**	110.67
1 - 2 year	**139.07**	155.92
2 - 3 year	**121.56**	163.48
3 - 4 year	**160.57**	160.75
4 - 5 year	**155.87**	198.45
5 - 10 years	**–**	–

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

	Period Ended				
	2019	2018	2017	2016	2015
VIII. Experience Adjustments:			Gratuity		
1. Defined Benefit Obligation	**715.12**	563.39	292.76	190.82	121.18
2. Fair value of plan assets	**392.34**	343.41	296.21	198.07	137.05
3. Surplus/(Deficit)	**322.78**	219.98	-3.45	-7.25	-15.87
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**36.38**	178.81	51.64	-51.67	-44.44
5. Experience adjustment on plan assets [Gain/(Loss)]	**-25.62**	-21.8	-15.85	2.85	-10.16

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 27 - Employees Share Based Payments (Employees Phantom Stock Option Plan 2019)

On January 18, 2019, Board of Directors approved the MIBL Employees Phantom Stock Option Plan 2019 (MIBL EPSOP 2019) for grant of stock options to the employees, within the meaning of the MIBL-EPSOP 2019 plan. The specific employees to whom the options would be granted and their eligibility criteria shall be determined by the Nomination and Remuneration Committee of the Board (Committee) from time to time on the basis of one or more factors including but not limited to longevity, total experience and role of the Employee. The options granted under EPSOP 2019 would vest after 1 (one) year but not later than the maximum vesting Period of 4 (four) years from the grant date of such options.

The Committee has prescribe the vesting schedule of the options granted under the plan, unless otherwise decided in exceptional cases like retirements:

Vesting Dates	Vesting Percentage
1st Anniversary from date of Grant	25% of Options granted
2nd Anniversary from date of Grant	25% of Options granted
3rd Anniversary from date of Grant	25% of Options granted
4th Anniversary from date of Grant	25% of Options granted

The Company will process vested options for settlement at each vesting date and determines appreciation in respect of all such Options with reference to Fair Market Value prevailing as on date of Vesting calculated as prescribed by MIBL EPSOP 2019. The Company recognises the fair value of the liability and expense for these plans over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

Grant date	Exercise Price	Total Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
Grant I	10.00	302,326.00	–	300,476.00	–	1,850.00	300,476.00
Grant II	10.00	4,905.00	–	4,905.00	–	–	4,905.00
Total		**307,231.00**	**–**	**305,381.00**	**–**	**1,850.00**	**305,381.00**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Movement of Phantom stock options during the year

Total for all grants	No. of Options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	0			NA
Granted during the year	307,231			2.56
Forfeited/ Lapsed during the year	1,850	10.00	10.00	NA
Exercised during the year	0			NA
Outstanding at the end of the year	305,381			2.56
Exercisable at the end of the year	0			NA

Significant assumptions used to estimate the fair value of options granted during the year.

Variables	
1. Risk Free Interest Rate	6.99
2. Expected Life	2.61
3. Expected Volatility	15.72
4. Dividend Yield	1.19
5. Price of the underlying share in market at the time of the option grant (Rs.)	1509

Annex 2

Requirements under Companies Act, 2013

Summary of Status of EPSOPs Granted

The position of the existing schemes is summarized as under -

Sr. No.	Particulars	Employees Phantom Stock Option Plan 2019
	I. Details of the EPSOP	
1.	Date of Shareholder's Approval	18-Jan-19
2.	Total Number of Options approved	515,464
3.	Vesting Requirements	As per vesting schedule
4.	ExercisePrice or Pricing formula (Rs.)	₹ 10.00
5.	Maximum term of Options granted (years)	4 years
6.	Source of shares	
7.	Variation in terms of ESOP	N.A
	II. Option Movement during the year	
1.	No. of Options Outstanding at the beginning of the year	0
2.	Options Granted during the year *	307,231
3.	Options Forfeited	1,850
4.	Options Lapsed during the year	0
5.	Options Vested during the year	0
6.	Options Exercised during the year	0
7.	Total number of shares arising as a result of exercise of options	0
8.	Money realised by exercise of options (Rs.)	0
9.	Number of options Outstanding at the end of the year	305,381
10.	Number of Options exercisable at the end of the year	0

* Options granted during the year include 9015 options grated to eligible employees of Parent Company.

Cost of options granted to elibile employees of Parent Company is debited to Professional Fees A/C

III. Weighted average exercise price of Options granted during the year whose

(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	10.00

Weighted average fair value of options granted during the year whose

(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	1,454.70

The weighted average market price of options exercised during the year

No Options Exercised during the year

IV. Employee-wise details of options granted during the financial year 2018-19 to:

(i) Senior managerial personnel :

Name	No. of options granted
DR. JAIDEEP DEVARE	23,799
SAURABH V. DHARADHAR	6,907
RUPA JOSHI	663

(ii) Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year

Name	No. of options granted
DR. JAIDEEP DEVARE	23,799
RAMESH IYER	19,881

(iii) Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Name	No. of options granted
Not Applicable	NIL

V. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Date of grant	Particulars
1. Risk Free Interest Rate	6.99
2. Expected Life	2.61
3. Expected Volatility	15.72
4. Dividend Yield	1.19
5. Price of the underlying share in market at the time of the option grant (Rs.)	1,509.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Assumptions:

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered.

Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity/Expected Life of options is the period for which the Company expects the options to be live.

Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

Note No. 28 - Related Party Transactions

Name of the parent Company : **Mahindra & Mahindra Financial Services Limited**

Name of the Ultimate parent Company : **Mahindra & Mahindra Limited**

Name of the Fellow subsidiaries : **Mahindra Rural Housing Finance Limited**

: **Mahindra Integrated Business Solutions Limited**

: **Mahindra First Choice Wheels Limited**

: **N.B.S. International Limited**

: **Mahindra Agri Solutions Limited**

: **Mahindra Consulting Engineers Limited**

Key Management Personnel (KMP) : **Dr Jaideep Devare, Managing Director**

: **Rupa Joshi, Company Secretary**

: **Saurabh V. Dharadhar, Chief Financial Officer (w.e.f 18-07-2018)**

Directors : **Rajeev Dubey, Chairman**

: **Ramesh Iyer, Non Executive Director**

: **V Ravi, Non Executive Director**

: **Hemant Sikka, Non Executive Director**

: **Nityanath Ghanekar, Independent Director**

: **Anjali Raina, Independent Director**

: **Derek Nazareth, Nominee Director**

Details of transaction between the Company and its related parties are disclosed below:

₹ in Lakhs

Particulars	For the year ended	Parent Company and Ultimate Parent company	KMP/Directors of the Company	Fellow subsidiaries
Nature of transactions with Related Parties				
Purchase of property and other assets	31–Mar–19	5.11	–	20.51
including intangibles	*31–Mar–18*	*10.43*	–	*13.80*
Rendering of services	31–Mar–19	5,907.78	–	–
	31–Mar–18	*2,730.07*	–	–
Receiving of services	31–Mar–19	241.86	262.37	370.42
	31–Mar–18	*269.86*	*396.24*	*215.84*
Interest Income	31–Mar–19	552.53	–	1,967.13
	31–Mar–18	*1,025.79*	–	*1,214.61*
Loans given (including Fixed Deposits &	31–Mar–19	12,250.00	–	29,500.00
Intercorporate Deposits placed during the year)	*31–Mar–18*	*12,620.00*	–	*19,375.00*
Loans taken (incl Fixed Deposits matured &	31–Mar–19	17,625.00	–	19,375.00
Intercorporate Deposits withdrawn during the year)	*31–Mar–18*	*15,460.00*	–	*10,350.00*
Dividend Paid	31–Mar–19	371.14	–	–
	31–Mar–18	*383.38*	–	–
Commission and other benefits to directors	31–Mar–19	–	20.45	–
	31–Mar–18	–	*153.75*	–
Sale of Fixed Assets	31–Mar–19	9.82	–	–
	31–Mar–18	–	–	–

Nature of Balances with Related Parties	Balance as on	Parent Company and Ultimate Parent company	KMP of the Company	Other related parties
Trade payables	31-Mar-19	58.81	–	10.63
	31-Mar-18	*157.45*	–	*3.63*
Loans & advances given (incl. Fixed Deposits	31-Mar-19	3,925.00	–	29,500.00
and Intercorporate Deposits placed)	*31-Mar-18*	*9,300.00*	–	*19,375.00*
Other balances (including Trade Receivables	31-Mar-19	3,232.45	–	1,166.17
and Interest Accrued)	*31-Mar-18*	*2,503.98*	–	*646.85*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ in Lakhs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Short-term employee benefits	**262.37**	396.24
Post-employment benefits[1]	**–**	–
Other long-term benefits[1]	**–**	–
Termination benefits	**–**	–
Share-based payment[2]	**–**	–

[1] Figures not available separately for gratuity and leave encashment

[2] Included in the Stock Option Charge paid to parent company for its Stock Options granted to Key Managerial Personnel

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Note No. 29 - Revenue from contract with customers

A. Country-wise break up of Revenue

₹ in Lakhs

31-Mar-19

Country	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	29,798.44	–	29,798.44	2,537.91	32,336.35
Total	29,798.44	–	29,798.44	2,537.91	32,336.35

₹ in Lakhs

31-Mar-18

Country	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	22,244.98	–	22,244.98	2,268.41	24,513.39
Total	22,244.98	–	22,244.98	2,268.41	24,513.39

B. Breakup of Revenue into contracts entered in previous year and in current year

₹ in Lakhs

Particulars	31-Mar-19	31-Mar-18
Revenue from PO/ contract/agreement entered into previous year	**29,676.11**	22,197.97
Revenue from New PO/ contract/agreement entered into current year	**122.33**	47.01
Total Revenue recognised during the period	**29,798.44**	22,244.98

C. Reconciliation of revenue from contract with customer

₹ in Lakhs

Particulars	31-Mar-19	31-Mar-18
Revenue from contract with customer as per the contract price	**29,798.44**	22,244.98
Adjustments made to contract price on account of :-		
a) Discounts/Rebates/Incentives	**–**	–
b) Sales Returns/Reversals	**–**	–
c) Deferrment of revenue	**–**	–
d) Changes in estimates of variable consideration	**–**	–
e) Recognition of revenue from contract liability out of opening balance of contract liability	**–**	–
f) Any other adjustments	**–**	–
Revenue from contract with customer as per the statement of Profit and Loss	**29,798.44**	22,244.98

D. Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/ Pos/Wos/SOWs, etc) at the end of reporting period.

The company has reviewed the contract with insurers and customers and indentified claims handling services as an area that is affected by the new accounting standard. The application of new standard results in the indentifiaction of separate performance obligation for handeling claims on behalf of customers as part of insurance brokerage customary business practice. The new standard requires the deferral of revenue recognition untill the performance obligation is satisifed. Based on the results of the review, the company does not expect a material imapct on the statement of profit and loss.

E. Break-up of Provision for Expected Credit Losses recognised in P&L

₹ in Lakhs

Particulars	31-Mar-19	31-Mar-18
Expected Credit loss recognised during the year on trade receivables	**81.25**	(15.09)
Expected Credit loss recognised during the year on contract assets	**–**	–
Expected Credit loss recognised during the year on others	**–**	–
Total	**81.25**	(15.09)

Note No. 30 - Income received from Insurer and Insurer's group companies

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of all the incomes received from insurers and insurer's group companies

A. Details of incomes received from insurers (Top 15+Others)

₹ in Lakhs

Particulars	Year Ended 31 March 2019
Tata AIG General Insurance Co Ltd	**3,352.70**
ICICI Lombard General Insurance Ltd	**2,417.69**
New India Assurance Co Ltd	**1,560.66**
Oriental Insurance Co Ltd	**1,551.09**
Royal Sundaram Alliance Insurance Co Ltd	**1,451.00**
Iffco Tokio General Insurance Co Ltd	**1,150.79**
Bharti Axa General Insurance Co Ltd	**857.66**
Liberty Videocon General Insurance Co Ltd	**814.11**
United India Insurance Co Ltd	**793.65**
Cholamandalam MS General Insurance Co Ltd	**691.48**
Bajaj Allianz General Insurance Co Ltd	**453.24**
HDFC Ergo General Insurance Company Limited	**292.69**
Future Generali Insurance Co Ltd	**229.33**
National Insurance Co Ltd	**183.08**
Sogaz Insurance	**113.61**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

Particulars	Year Ended 31 March 2019
Others	773.76
Total Revenue	**16,686.54**

₹ in Lakhs

Particulars	Year Ended 31 March 2018
Tata AIG General Insurance Co Ltd	2,993.21
New India Assurance Co Ltd	1,819.90
ICICI Lombard General Insurance Ltd	1,557.09
Oriental Insurance Co Ltd	1,194.83
United India Insurance Co Ltd	1,162.48
Royal Sundaram Alliance Insurance Co Ltd	1,105.04
Iffco Tokio General Insurance Co Ltd	1,089.38
Cholamandalam MS General Insurance Co Ltd	712.39
Bharti Axa General Insurance Co Ltd	548.24
Bajaj Allianz General Insurance Co Ltd	339.16
HDFC Ergo General Insurance Company Limited	213.57
National Insurance Co Ltd	176.66
Liberty Videocon General Insurance Co Ltd	155.56
Future Generali Insurance Co Ltd	85.85
HDFC General Insurance Co Ltd	61.19
Others	584.94
Total Revenue	**13,799.49**

B. The Company has not received any income from any of the insurers' group companies.

Note No. 30 - Details of Payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof.

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof.

As per the information received from the group companies, payments received by Mahindra & Mahindra Financial Services Limited ("MMFSL")

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2019*
Bajaj Allianz General Insurance Co Ltd	**150.00**
Bharti AXA General Insurance Co Ltd	**350.00**
Cholamandalam MS General Insurance Co Ltd	**260.43**
Future Generali India Insurance Co Ltd	**50.00**
ICICI Lombard General Insurance Ltd	**325.00**
IFFCO Tokio General Insurance Co Ltd	**120.00**
National Insurance Co Ltd	**3.75**
Liberty Videocon General Insurance Co Ltd	**350.00**
MAGMA HDI General Insurance Co Ltd	**150.00**
Royal Sundaram Alliance Insurance Co Ltd	**3,294.60**
Tata AIG General Insurance Co Ltd	**770.00**
Total	**5,823.78**

* Payments are received towards usage of office space of MMFSL branches for display of marketing material/ advertisements of insurnace companies.

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2018*
Bajaj Allianz General Insurance Co Ltd	2.82
Bharti AXA General Insurance Co Ltd	27.30
Cholamandalam MS General Insurance Co Ltd	48.31
ICICI Lombard General Insurance Ltd	173.25
IFFCO Tokio General Insurance Co Ltd	30.87
National Insurance Co Ltd	3.81
New India Assurance Co Ltd	7.81
Oriental Insurance Co Ltd	44.79
Royal Sundaram Alliance Insurance Co Ltd	1,858.37
Tata AIG General Insurance Co Ltd	296.47
United India Insurance Co Ltd	21.51
Total	**2,515.31**

* Payments are received towards usage of office space of MMFSL branches for display of marketing material/ advertisements of insurnace companies.

Note No. 31 - Contingent liabilities and commitments

₹ in Lakhs

Contingent liabilities (to the extent not provided for)	**As at 31 March 2019**	**As at 31 March 2018**
Contingent liabilities	**–**	–

₹ in Lakhs

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Commitments #		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	**–**	–
Commitments for the acquisition of intangible assets	**148.63**	14.41

Note No. 32 - Additional Information to the Financial Statements

Dividend

In respect of the current year, the directors propose that a dividend of Rs.7.50 per share be paid on equity shares on 18 April 2019. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on June 17, 2019. The total estimated equity dividend to be paid is Rs.773.20 lakhs. The payment of this dividend is estimated to result in payment of dividend tax of Rs.158.93 lakhs @ 20.555% on the amount of dividends grossed up for the related dividend distribution tax.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

Particulars	**31-Mar-19**	**31-Mar-18**
(i) Principal amount remaining unpaid to MSME suppliers as on	**–**	–
(ii) Interest due on unpaid principal amount to MSME suppliers as on	**–**	–
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ in Lakhs

Particulars		31-Mar-19	31-Mar-18
(iv)	The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	–	–
(v)	The amount of interest accrued and remaining unpaid as on	–	–
(vi)	The amount of interest due and payable to be disallowed under Income Tax Act, 1961	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Corporate Social Responsibility (CSR)

₹ in Lakhs

Particulars		31-Mar-19	31-Mar-18
Amount required to be spent as per section 135 of the Act		**160.13**	136.16
Amount spent during the year on:			
(i)	Construction/acquistion of an asset	–	–
(ii)	On purpose other than (i) above	**160.33**	152.79
Total		**160.33**	152.79

Note No. 33 - Previous year figures

– Previous year figures have been regrouped /reclassified wherever found necessary.

Note No. 34 - Recent Accounting Pronouncements

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116- 'Leases' and consequential amendments to various Ind AS standards. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from 1st April, 2019.

Ind AS 116 – 'Leases':

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

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements during the period of initial application is not reasonably estimable as at present.

The financial statements of Mahindra Insurance Brokers Limited were approved by the Board of Directors and authorised for issue on April 18, 2019.

In terms of our report attached. For and on behalf of the Board of Directors

For B K Khare & Co.					
Chartered Accountants	Rajeev Dubey	Ramesh Iyer	V Ravi	Hemant Sikka	Nityanath Ghanekar
Firm Regn No. 105102W	**Chairman**	**Director**	**Director**	**Director**	**Director**
	DIN: 00104817	DIN: 00220759	DIN: 00307328	DIN: 00922281	DIN: 00009725
Shirish Rahalkar	Anjali Raina	Derek Nazareth	Dr Jaideep Devare	Rupa Joshi	Saurabh V. Dharadhar
Partner	**Director**	**Director**	**Managing Director**	**Company Secretary**	**Chief Financial Officer**
Membership No. 111212	DIN: 02327927	DIN: 07031760	DIN: 00009112	Mem No.: ACS 17395	
Place: Mumbai					Place: Mumbai
Date: April 18, 2019					Date: April 18, 2019