

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 29th Annual Report along with the Audited Accounts of your Company for the year ended 31st March, 2016.

1. Financial Results

Particulars	<i>(Amount in Rs. Crores)</i>	
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Income	149.20	126.20
Profit before Interest, Depreciation and Taxation	76.54	66.52
Depreciation	(1.34)	(1.24)
Profit before Taxation	75.20	65.28
Provision for Taxation:		
Provision for Current Tax	(26.96)	(22.70)
Provision for Deferred Tax	0.24	0.36
	(26.72)	(22.34)
Profit after Taxation	48.49	42.94
Balance of Profit for prior years	136.83	102.17
Less: Depreciation (net of deferred tax) for earlier years	(0.00)	(0.10)
Amount available for Appropriation	185.32	145.01
Appropriations:		
Transfer to General Reserve	0.00	4.30
Dividend on Equity Shares (Proposed)	3.87	3.22
Tax on Dividend (Proposed)	0.78	0.66
Surplus carried to Balance Sheet	180.67	136.83

2. Dividend

Your Directors recommend a dividend of Rs. 15 per Equity Share on 25,77,320 Equity Shares of Rs. 10 each, aggregating to Rs. 3.87 crores. The above dividend, if approved, will be paid to those Members whose names appear in the Register of Members as on the Record Date fixed for this purpose. The dividend including dividend distribution tax, surcharge and education cess will absorb a sum of Rs. 4.65 crores (as against Rs. 3.88 crores on account of dividend of Rs. 12.50 per Equity Share, paid for the previous year).

3. Reserves

No amount is proposed to be transferred to General Reserve and an amount of Rs. 180.67 crores is proposed to be retained in the statement of Profit and loss.

4. Operations

The year ended 31st March, 2016 marked the 12th year of successful insurance broking operations of your Company. In this journey of 12 years, your Company has been able

to service over 6 million insurance cases, largely in the rural and semi-urban markets in India. Your Company has been able to reach the benefit of insurance to over 1,50,000 villages across India. Your Company endeavors to further increase insurance penetration in rural India as well as become a significant player in global insurance markets.

During the year under review, your Company serviced 1.3 million insurance cases, with a total of 1,330,929 cases for both Life and Non-Life Retail business. The customized Life insurance cover "Mahindra Loan Suraksha" (MLS) increased from 4,59,781 lives covered with a Sum Assured of Rs. 13,515.4 crores in the Financial Year 2014-15 to 5,13,093 lives covered with a Sum Assured of Rs. 14,792.8 crores in the Financial Year 2015-16. This is in spite of the general economic slowdown witnessed during the year having a cascading impact on the auto-manufacturing and auto financing industry. A substantial portion of MLS continues to be covered in the rural markets.

Your Company achieved a growth of 24% in Gross Premium facilitated for the Corporate and Retail business lines, increasing from Rs. 1,002.7 crores in the Financial Year

2014-15 to Rs. 1,238.6 crores in the Financial Year 2015-16. The Total Income increased by 18% from Rs. 126.2 crores in the Financial Year 2014-15 to Rs. 149.2 crores in the Financial Year 2015-16. The Profit before Tax increased by 15% from Rs. 65.3 crores to Rs. 75.2 crores, and the Profit after Tax increased by 13% from Rs. 42.9 crores to Rs. 48.5 crores during the same period. The Networth increased by 26% from Rs. 171.9 crores in the financial year 2014-15 to Rs. 215.7 crores in the financial year 2015-16.

5. Achievements

During the year, your Company was appraised and rated at Maturity Level 3 of the People Capability Maturity Model® (People-CMM®), becoming the first Insurance Broking Company globally to achieve this international benchmark. MIBL joins the league of top companies across the globe practicing People-CMM®. Your Company's achievement of Maturity Level 3 demonstrates that it implements world-class best practices with respect to the management and development of its workforce.

Your Company was recipient of the Dataquest Business Technology Awards held at Hyatt Regency, Mumbai on August 19, 2015 under the category 'Analytics'. The Awards recognize organizations that have distinguished themselves by creating business value through innovative use of Information Technology.

Your Company was also recipient of the National Award in Theatre Category at the Engage4More Corporate Talent Championship Season 4 held at the Sahara Star Hotel in Mumbai on September 19, 2015, where talent was encouraged and recognized across singing, music, dance, bands and theatre. The theme of the 6-minute act put up by the team was 'Don't Drink and Drive'.

6. Share Capital

During the year under review, the Company has neither issued shares with differential voting rights as to dividend, voting or otherwise, nor has issued sweat equity. The Company has not formulated any Employees Stock Option Scheme during the year under review. There were no Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which, loan was given by the Company.

As on 31st March, 2016, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

7. Directors

The composition of the Board of Directors of your Company is in conformity with the provisions of the Companies Act, 2013, as amended from time to time. As on 31st March, 2016, the Company has seven directors of which one is Managing Director, 4 are Non-Executive Directors and two are Independent Directors. The Board reviews and approves strategy and oversees the actions and results of the management to ensure that the long term objectives of the enhancing stakeholders' value are met.

None of the Board of Directors holds directorships in more than 10 public companies. None of the directors are related to each other.

Mr. Hemant Sikka (DIN: 00922281) retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Nityanath Ghanekar (DIN: 00009725) and Ms. Anjali Raina (DIN: 02327927) were appointed as Independent Directors of the Company for a period of five years with effect from 30th March, 2015. These Independent Directors shall hold the office of directorship for a term of five years. None of the Independent Directors are due for reappointment.

8. Key Managerial Personnel

Ms. Rupa Joshi, qualified Company Secretary was appointed as the Company Secretary of the Company by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee at its meeting held on 15th July, 2015.

As at the date of this Report, the Key Managerial Personnel of the Company, as envisaged under the provisions of Section 203 of the Companies Act, 2013, are Dr. Jaideep Devare – Managing Director and Ms. Rupa Joshi – Company Secretary.

9. Board Meeting and Annual General Meeting

The Board of Directors met seven times in Financial Year 2015-16 viz. 15th April, 2015, 15th July, 2015, 30th September, 2015, 15th October, 2015, 27th October, 2015, 16th January, 2016, and 10th March, 2016. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Necessary quorum was present for all the meetings.

The names and categories of the Directors of the Company, their attendance at the Board Meetings held during the Financial Year 2015-16 and at the last Annual General Meeting of the Company held on 15th July, 2015 are as follows:

Names of Directors	Category	Attendance at the Board meetings held during the financial year 2015-16		Attendance at the last Annual General Meeting held on 15 th July, 2015 (Yes/No/N.A.)
		Held	Attended	
Mr. Rajeev Dubey (Chairman)	Non-Executive, Non-Independent	7	7	Yes
Mr. Uday Phadke*	Non-Executive, Non-Independent	2	2	Yes
Mr. Ramesh Iyer	Non-Executive, Non-Independent	7	7	Yes

Names of Directors	Category	Attendance at the Board meetings held during the financial year 2015-16		Attendance at the last Annual General Meeting held on 15 th July, 2015 (Yes/No/N.A.)
		Held	Attended	
Mr. Nityanath Ghanekar	Non Executive, Independent	7	7	Yes
Mr. V. Ravi	Non-Executive, Non-Independent	7	7	Yes
Ms. Anjali Raina	Non Executive, Independent	7	7	Yes
Mr. Hemant Sikka	Non-Executive, Non-Independent	7	6	Yes
Dr. Jaideep Devare	Non-Independent, Executive	7	7	Yes

* Mr. Uday Y. Phadke retired from the Board w.e.f. 15th July, 2015.

10. Meeting of Independent Directors

During the year 2015-16, two meetings of the Independent Directors were held on 15th October, 2015 and 10th March, 2016. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

11. Committees of the Board

The Company has several committees which are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Corporate Social Responsibility Committee

i) Audit Committee

The Audit Committee was re-constituted by the Board on 30th March, 2015 pursuant to the appointment of independent directors on the Board. The Audit Committee comprises of:

Mr. Nityanath Ghanekar – Chairman & Independent Director

Ms. Anjali Raina – Independent Director

Mr. V. Ravi – Non-Executive and Non-Independent Director

The Committee met four times during the year on 15th April, 2015, 15th July, 2015, 15th October, 2015

and 16th January, 2016. The Committee passed a Resolution by Circulation on 26th March, 2016.

The terms of reference of the Audit Committee were revised during the year under review to bring them in line with the provisions of the Companies Act, 2013. The revised terms of reference of the Audit Committee are:

- a) To recommend appointment, remuneration and terms of appointment of auditors and internal auditors of the Company;
- b) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) To examine the quarterly and annual financial statement and the auditors' report thereon;
- d) To approve or subsequently modify transactions of the Company with related parties;
- e) To scrutinize inter-corporate loans and investments;
- f) To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- g) To evaluate internal financial controls and risk management systems;
- h) To monitor the end use of funds raised through public offers and related matters;
- i) If required, to call for the comments of the auditors about internal control systems, the scope of audit, including observation of the auditors.
- j) To review the financial statements before their submission to the Board.
- k) If required to discuss with the internal and statutory auditors and the management of the Company any issues related to internal control system, scope of audit and financial statements;
- l) To investigate in to any matter in relation to the items specified in point nos. (i) to (k) above or matters which are referred to it by the Board and for this purpose, to obtain professional advice from external sources and have full access to information contained in the records of the Company.
- m) To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor;
- n) To discharge from time to time such other acts, duties and functions as may be assigned by the Board of Directors or prescribed under the Companies Act, 2013 or any other applicable law and Rules made thereunder.

The attendance of the members of the Audit Committee at its meetings held during the Financial Year 2015-16 is given below:

Names of Members	Category	Attendance at the meetings during the financial year 2015-16	
		Held	Attended
Mr. Nityanath Ghanekar	Non Executive, Independent	4	4
Ms. Anjali Raina	Non Executive, Independent	4	4
Mr. V. Ravi	Non-Executive, Non-Independent	4	4

The Board has accepted all the recommendations made by the Audit Committee during the year. The Managing Director, Chief Internal Auditor of Mahindra & Mahindra Limited and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

Mr. Nityanath Ghanekar, Chairman of the Audit Committee, was present at the 28th Annual General Meeting of the Company held on 15th July, 2015.

ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted by the Board on 30th March, 2015 pursuant to the appointment of independent directors on the Board. The Nomination and Remuneration Committee comprises of:

Mr. Rajeev Dubey - Non-Executive and Non-Independent Director

Mr. Ramesh Iyer - Non-Executive and Non-Independent Director

Mr. Nityanath Ghanekar - Independent Director

Ms. Anjali Raina - Independent Director

The Committee met two times during the year on 12th August, 2015 and 10th March, 2016.

The Nomination and Remuneration Committee inter alia recommends the appointment and removal of directors and carries out evaluation of performance of every director in accordance with the framework adopted by the Board. The Committee is also empowered to look into the entire gamut of remuneration package for the working Director(s) and revise their remuneration subject to limits approved by the Shareholders.

The attendance of the Members of Nomination and Remuneration Committee at its meetings held during the Financial Year 2015-16 is given below:

Names of Members	Category	Attendance at the meetings during the financial year 2015-16	
		Held	Attended
Mr. Rajeev Dubey	Non-Executive, Non-Independent	2	2
Mr. Nityanath Ghanekar	Non Executive, Independent	2	2

Names of Members	Category	Attendance at the meetings during the financial year 2015-16	
		Held	Attended
Mr. Ramesh Iyer	Non-Executive, Non-Independent	2	2
Ms. Anjali Raina	Non Executive, Independent	2	1

iii) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was reconstituted by the Board on 30th March, 2015 pursuant to the appointment of independent directors on the Board. The Corporate Social Responsibility Committee comprises of:

Mr. Rajeev Dubey - Chairman & Non-Executive and Non-Independent Director

Mr. Ramesh Iyer - Non-Executive and Non-Independent Director

Mr. V. Ravi - Non-Executive and Non-Independent Director

Ms. Anjali Raina - Independent Director

Dr. Jaideep Devare - Managing Director

The Committee met twice during the year on 15th April, 2015 and 10th March, 2016.

The attendance of the Members of CSR Committee at its meetings held during the Financial Year 2015-16 is given below:

Names of Members	Category	Attendance at the meetings during the financial year 2015-16	
		Held	Attended
Mr. Rajeev Dubey (Chairman)	Non-Executive, Non-Independent	2	2
Mr. Ramesh Iyer	Non-Executive, Non-Independent	2	2
Ms. Anjali Raina	Non Executive, Independent	2	2
Mr. V. Ravi	Non-Executive, Non-Independent	2	2
Dr. Jaideep Devare	Non-Independent, Executive	2	2

Your Company is in compliance with the statutory requirements in this regard.

The Annual Report on the CSR activities undertaken by your Company in the Financial Year 2015-16 is appended as Annexure I to this Report.

12. Performance Evaluation of the Board

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual

directors. Further, Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Well-defined and structured questionnaires were used in the evaluation process. These questionnaires were prepared after taking into consideration inputs received from the Directors and cover various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, areas of responsibility, execution and performance of specific duties, obligations, governance and compliance perspective etc.

The evaluation process involves self-evaluation by each of the Board Members and subsequent assessment by the Nomination and Remuneration Committee and the Board of Directors based on the inputs received from all the Directors through the questionnaires.

In a separate meeting on independent directors, performance of non-independent directors, performance of board as a whole and performance of the chairman was evaluated, taking into account views of executive directors and non-executive directors. The same was also discussed in the board meeting, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board excluding the independent directors being evaluated.

In general, the Directors have expressed their satisfaction with the evaluation process.

13. Declaration by Independent Directors

The Company has received declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

14. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors confirm that:

- i. In the preparation of the annual accounts for financial year ended 31st March, 2016, the applicable accounting standards have been followed and there are no material departures in adoption of these standards;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2016 and of the profit of the Company for the year ended on that date;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. They have prepared the annual accounts for financial year ended 31st March, 2016 on a 'going concern' basis;
- v. They have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

15. Company's policy on remuneration of Directors, Key Managerial Personnel and employees

The Company has adopted the following policies as required under sub-section (3) of Section 178 of the Companies Act, 2013:

- (i) 'Policy on Remuneration of Directors' and
- (ii) 'Remuneration Policy for Key Managerial Personnel (KMPs) and Employees'.

Which includes the criteria for determining qualifications, positive attributes and independence of a director.

The Nomination and Remuneration Committee while recommending the appointment of Directors considers desirable qualifications which may amongst other things include professional qualifications, skills, professional experience, background and knowledge apart from the criteria of independence as prescribed under the Companies Act, 2013.

The Policy on Remuneration of Directors and Remuneration Policy for KMPs and Employees of the Company is appended as Annexure III to this Report in accordance with the provisions of sub-section (4) of Section 178 of the Act.

There has been no change in the policy since the last fiscal year. The remuneration paid to the Directors is as per the terms laid out in the Remuneration Policy of the Company.

16. Codes of Conduct for Corporate Governance

The Board of Directors of the Company has adopted separate Codes of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos. The Company has for the year under review, received declarations under the Codes from the Board Members, the Senior Management and Employees of the Company affirming compliance with the respective Codes.

The Company has adopted a Code of Conduct for its Independent Directors as laid down in the Companies Act, 2013. This code is available on the Company's website.

17. Corporate Social Responsibility

Through its various Corporate Social Responsibility ("CSR") initiatives, the Mahindra Group is enabling entire communities to 'RISE'. With a vision of transforming the lives of youth from socially weaker and economically disadvantaged sections of society, the Mahindra Group is committed to 'building possibilities' to enable them to 'RISE' above their limiting circumstances by innovatively supporting them through programs in the domains of education, health and environment.

The Company has duly constituted a CSR Committee in accordance with Section 135 of the companies Act, 2013 to assist the Board and the Company in fulfilling the corporate social responsibility objectives of the Company. The CSR Committee presently comprises of Mr. Rajeev Dubey (Chairman), Mr. Ramesh Iyer, Ms. Anjali Raina, Mr. V. Ravi and Dr. Jaideep Devare.

During the year under review, your Company contributed Rs. 120.16 lacs towards Corporate Social Responsibility to various institutions for charitable purposes. Your Company is in compliance with the Statutory Provisions in this regard.

The CSR Policy of the Company is hosted on the Company's website <https://www.mahindrainsurance.com/Social-Responsibility.aspx> and a brief outline of the CSR Policy and the CSR initiatives undertaken by the Company during the year as per annexure prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure I** to this Report.

18. Extract of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-Section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2016 forms part of this Report and is appended as **Annexure II**.

19. Public Deposits

The Company has not accepted any deposits from the public or its employees during the year under review. No amount on account of principal or interest on deposits from public was outstanding as on the date of balance sheet.

20. Particulars of loans, guarantees or investments

The Company has advanced loans and advances in the nature of loans under Section 186 of the Companies Act, 2013, the details of which are mentioned in the notes to the financial statements and forms part of this Report.

Your Company has not made any loans/advances and investment which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V, applicable to the parent Company, Mahindra & Mahindra Limited.

21. Particulars of contracts or arrangements with related parties

All contracts/arrangements/transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013. None of the Non-Executive Directors has any pecuniary relationships or transactions vis-à-vis the Company.

22. Material Changes and Commitments affecting the Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

23. Change in the nature of business

There was no change in nature of business carried on by the Company during the year under review.

24. Risk Management

The Company has a well-defined risk management framework in place. Your Company has established procedures to periodically review risk assessment and steps taken by it to mitigate these risks. The key business risks identified by the Company and its mitigation plans are as under:

i) **Competitive Risks**

Overall slowdown in economic activity could have an adverse effect on the financial condition and operational results of the Company.

As the overall levels of economic activity increase, the demand for insurance generally rises, and vice-versa. This impacts both, the brokerage as well as fees, generated by the business. Softening of the insurance market i.e. downward trends in the year-over-year insurance premium charged by insurers to offer protection against the same risk, could adversely affect the business as a large portion of the earnings are brokerage which is determined as a percentage of premium charged to the customers.

Significant competitive pressures in each of the business lines

The Company competes with a large number of insurance companies and other insurance intermediaries. Some of the competitors may have or may develop a lower cost structure or distribution model, adopt or provide services that gain greater market acceptance. Large and well-established

competitors may be able to respond to the need for technological changes and innovate faster, or price their services more aggressively. They may also compete hard for skilled professionals, finance acquisitions, fund internal growth and compete for customers. To respond to increased competition, we may have to lower the pricing of the services.

ii) Legal and Regulatory Risks

The Company is subject to professional indemnity claims made against it, as well as other legal proceedings, some of which, if determined against the Company, could have a material adverse effect on the financial condition or results of operations of a particular business line or the Company as a whole.

The Company traditionally has procured, and intends to continue to procure, insurance to cover professional indemnity claims and other insurance to provide protection against certain claims or losses that arise in such matters.

The business is subject to extensive regulation, which could reduce profitability, limit growth, or increase competition

The business is subject to extensive legal and regulatory oversight, including the IRDA (Insurance Brokers) Regulations, 2013 and the rules and regulations promulgated by the Insurance Regulatory and Development Authority of India (IRDAI) and a variety of other laws, rules and regulations. This legal and regulatory oversight could reduce profitability or limit growth by limiting or restricting the products or services the Company sells, by increasing the costs of legal and regulatory compliance, limiting the distribution methods by which it sells products and services, or capping the brokerage it can charge for the services, limiting the amount and form of compensation it can accept from the customers, insurers and third parties, or by subjecting the business to the possibility of legal and regulatory actions or proceedings.

Though the Company employees and authorized representatives exercise due care so not to violate these laws and regulations, there can be no assurances as regards the same.

iii) Operational and Commercial Risks

The Company's success depends on its ability to retain and attract experienced and qualified personnel, including the senior management and operating team and other professional personnel.

The business depends, to a large extent, upon the members of the senior management team and senior operating team, who possess extensive knowledge and a deep understanding of the business and strategy. The unexpected loss of services of any of the senior executives or key professionals could have a

disruptive effect, thereby impacting ability to manage the business effectively till such time as an able replacement is in place. The Company is constantly working to retain and attract these professionals through various people development initiatives.

Business performance and growth plans could be affected if the Company is not able to effectively apply technology in driving value for its customers through technology-based solutions or gain internal efficiencies through the effective application of technology and related tools. Conversely, investments in innovative technology-based solutions may fail to yield sufficient return to cover their investments.

The Company's success depends, in part, on its ability to apply and implement technology-based solutions that anticipate and keep pace with rapid and continuing changes in customer preferences. Response to these preferences needs to be timely and cost-effective. This also entails the business to incur considerable investment. In order to acquire and retain customers, the Company continuously strives to offer newer and cost-effective technologies to its customers, ahead of its competitors.

Other factors, outside of the Company's control.

The Company has no control over premium rates. The brokerage rates, too, are capped by the current regulations.

In addition to movements in premium rates, the ability to generate premium-based brokerage revenue may be challenged by:

- the level of compensation, as a percentage of premium, that insurers are willing to compensate brokers for placement activity, which in any case, is capped by the current regulations;
- competition from insurers seeking to sell their products directly to consumers without the involvement of an insurance broker with or without the use of technology.
- increasing willingness on the part of customers to "self-insure", which would increase competition and put pressure on pricing;
- fluctuation in the need for insurance as the economic downturn continues, as customers prioritize their need and willingness to procure insurance accordingly.

25. Auditors

The Board of Directors at its meeting held on 14th April, 2014 had appointed M/s. B. K. Khare and Co., as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the Annual General Meeting (AGM) held on 14th July, 2014 till the conclusion of the thirty-second AGM of the Company to be held in the year

2019, subject to the ratification of their appointment by Shareholders at every Annual General Meeting.

As required under the provisions of Sections 139(1) read with 141 of the Companies Act, 2013, the Company has obtained a written certificate from M/s. B. K. Khare & Co., Chartered Accountants, to the effect that their ratification of appointment, if made, would be in conformity with the criteria specified in the said sections.

Pursuant to the recommendation received from the Audit Committee, the Board has proposed the ratification of the appointment of M/s. B. K. Khare & Co., as Statutory Auditors of the Company, the Shareholders at the forthcoming Annual General Meeting for a period of one year.

26. Accounting Standards followed by the Company

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act.

27. Comments on Auditors' Report

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s B. K. Khare & Co., Statutory Auditors, in their report. The Auditors' Report is enclosed with the financial statements in this Annual Report.

28. Human Resources

Over the years, your Company has adopted different initiatives in various capacities as a result of which there has been a paradigm shift in the approach adopted relating to Employee Relations. Your Company drives sustainable growth and have been instrumental in bringing in thought leadership in building strong employee relations.

As an organization MIBL took a number of initiatives to strengthen human resources during the year.

Your Company has a competitive edge to the organisation with the ability to attract and retain the best talent across the country. In pursuance of the Company's commitment to develop and retain the best available talent, the Company has been sponsoring the employees for training programmes organized by reputed faculties and professional institutions for building capabilities thereby upgrading the skill and knowledge of the employees in different operational areas.

Your Company continues to focus on building leadership capability and recognizing the team managers who provide a rewarding and respectful work environment for their teams.

Your organization also understands its responsibility towards society at large and therefore engages its employees in volunteering and executing various social responsibilities.

Your company has become world's first company in Insurance Sector to achieve People-CMM Level 3 certification by CMMI institute, Carnegie Mellon University USA. The organization's focus on best practices has been driven by desire and commitment to deliver a best-in-class service experience to our valued customers. Your company has endeavored to develop people capabilities to match and exceed customer expectations since the customers associated with your Company deserve the best. This achievement reinforces MIBL's continued commitment to develop and enhance skills and capabilities of our team.

Your Company strongly believes in maintaining the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harrasment of any type are strictly prohibited. The Company has taken the necessary steps to abide by all statutory compliances and enhance awareness w.r.t. provisions of the Sexual Harrasment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the Act") and the Rules framed thereunder. During the year under review, there were no cases filed pursuant to the Act and Rules framed thereunder.

29. Subsidiaries

The Company does not have any subsidiary as on 31st March, 2016 or during the financial year ended on that date.

30. Particulars regarding conservation of energy, technology absorption, and foreign exchange earnings and outgo

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in **Annexure IV**.

31. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operations.

32. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

Your Company has in place adequate system of internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

Assessment of the internal financial controls environment of the Company was undertaken during the year which

covered verification of entity level controls, process level controls and IT controls, identification, assessment and definition of key business processes and analysis of risk control matrices, etc. Reasonable Financial Controls are operative for all the business activities of the Company and no material weakness in the design or operation of any control was observed.

33. Reporting of Frauds

There are no frauds on or by the Company which were required to be reported by the Statutory Auditors of the Company to the Central Government.

34. Particulars of remuneration

The statement containing particulars of employees who were in receipt of remuneration of not less than Rs. 60,00,000 during the year ended 31st March, 2016 or not less than Rs. 5,00,000 per month during any part of the said year in accordance with the provisions of Section 197(12) of the Companies Act, 2013 ("the Act") and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of the Director's Report. Further, the report and accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

The Company had no employee who was employed for a part of the Financial Year and was in receipt of remuneration of not less than Rs. 5,00,000 per month during any part of the year.

35. Acknowledgements

Your Directors take this opportunity to express their deep sense of gratitude to the Insurance Regulatory and Development Authority of India (IRDAI) for their continuous support and guidance rendered to the Company. Your Directors would also like to thank Company's employees, customers, vendors and investors for their continuous support. Your Directors truly appreciate and value the contributions made by each and every Member of the Company.

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai, 15th April, 2016

Registered Office:

Mahindra Towers,

P. K. Kurne Chowk, Worli,

Mumbai - 400018

CIN: U65990MH1987PLC042609

Tel: +91 22 66423800

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E-mail: insurance.care@mahindra.com

Website: www.mahindrainsurance.com

ANNEXURE I TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility Activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

1)	<p>Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs</p>
	<p>The objective of Company's CSR policy is to continuously and consistently generate goodwill in communities where the Company operates or is likely to operate, initiate projects that benefit communities and encourage an increased commitment from employees towards CSR activities and volunteering.</p> <p>The Corporate Social Responsibility Committee ('CSR Committee') is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the CSR Council ('CSR Council') and to monitor the CSR Policy periodically. The CSR Council will be supported by the CSR Secretariat at Head Office, for implementation of the approved projects. For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.</p> <p>The Company has identified following CSR thrust areas for undertaking CSR projects or programs or activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/Grampanchayat/NGOs. The Company shall give preference to the local area and areas around which the Company operates.</p> <p>Thrust areas:</p> <p>a) Education Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.</p> <p>b) Health Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.</p> <p>c) Environment Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.</p> <p>d) Others Any other activities within the purview of Schedule VII of the Act that the CSR Committee of the Company may define from time to time.</p>
	<p>CSR activities of the Company are carried through:</p> <ul style="list-style-type: none"> • K C Mahindra Education Trust. • Collaboration with other Companies undertaking projects/programs in CSR activities. • Contribution/donation made to such other Organizations/Institutions as may be permitted under the applicable laws from time-to-time. • Directly by the Company for fulfilling its responsibilities towards various stakeholders. <p>The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is https://www.mahindrainsurance.com/Social-Responsibility.aspx</p>

2)	Composition of the CSR Committee	1. Mr. Rajeev Dubey (Chairman) 2. Mr. Ramesh Iyer (Non-Executive & Non-Independent Director) 3. Mr. V. Ravi (Non-Executive & Non-Independent Director) 4. Ms. Anjali Raina (Independent Director) 5. Dr. Jaideep Devare (Managing Director)
3)	Average Net Profit of the Company for last 3 financial years	Rs. 6,007.85 lacs
4)	Prescribed CSR expenditure (2% of this amount as in item 3 above)	Rs. 120.16 lacs
5)	Details of CSR spent for the financial year 2015-16: a) total amount spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below	Rs. 120.16 lacs Nil The details in which the amount is spent is given in Schedule A below
6)	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report	N.A.

SCHEDULE A TO ANNEXURE I – CSR ACTIVITIES AT MAHINDRA INSURANCE BROKERS LIMITED.

(Rs. in Lacs)

Sr. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project/ program wise	Amount spent on the project/programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure up to 31 st March 2016	Amount spent Direct or through implementing agency
1.	Salaries of Teachers	Education	Pahar Ganj, New Delhi	10.08	10.08	10.08	Salaam Balak Trust
2.	Open Heart Surgery	Healthcare including preventive healthcare	Mumbai, Maharashtra	0.90	0.90	0.90	Child Vision Foundation
3.	Education and Employment enhancing vocational skills	Education	Mumbai, Maharashtra	74.36	74.36	74.36	K C Mahindra Education Trust (Nanhi Kali)
4.	Purchase of Fiberoptic Bronchoscope	Healthcare & Preventive Healthcare	Mumbai, Maharashtra	4.99	4.99	4.99	Nair Charitable Hospital Department Development Foundation
5.	Renovation of Ashram and Homes/hostels for orphans\women	Gender Equality/ Old age & Day care homes	Mumbai, Maharashtra	10.00	10.00	10.00	The Hindu Womens Welfare Society
6.	Setting old age homes\ day care centres and similar facilities for senior citizens	Gender Equality/ Old age & Day care homes	Kolkata, West Bengal	3.00	3.00	3.00	Missionaries Of Charity
7.	Subscription of Braille Magazines for the blind	Health & Education	Mumbai, Maharashtra	3.00	3.00	3.00	White Print
8.	Conservation & renovation of school buildings and classrooms	Education	Chennai, Tamilnadu	3.00	3.00	3.00	Round Table India Trust
9.	Education for the underprivileged & disabled children	Education	Koni, Karnataka	3.00	3.00	3.00	Manasa Jyothi Trust For The Dumb, Deaf And Other Disabled
10.	Conservation of natural resources – tree plantation and water resources	Environment	Hyderabad, Andhra Pradesh	4.00	4.00	4.00	Prakriti Environment Society
11.	Providing free education, nutritious breakfast, uniforms, etc	Health & Education	Chennai, Tamilnadu	3.83	3.83	3.83	Olcott Memorial Higher Secondary School
			Total	120.16	120.16	120.16	

7) **The CSR Committee of the Company confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Objectives and Policy of the Company.**

For Mahindra Insurance Brokers Limited

For and on behalf of the CSR Committee of Mahindra Insurance Brokers Limited

Sd/-
Dr. Jaideep Devare
Managing Director

Sd/-
Rajeev Dubey
Chairman – CSR Committee of Mahindra Insurance Brokers Limited

Mumbai, 15th April, 2016

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	21,90,692	30	21,90,722	85.00	21,90,692	30	21,90,722	85.00	0.00
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	21,90,692	30	21,90,722	85.00	21,90,692	30	21,90,722	85.00	0.00
(2) Foreign									
a) NRIs-Individuals	–	–	–	–	–	–	–	–	–
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	21,90,692	30	21,90,722	85.00	21,90,692	30	21,90,722	85.00	0.00
B. Public Shareholding	–	–	–	–	–	–	–	–	–
1. Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	3,86,598	0	3,86,598	15.00	3,86,598	0	3,86,598	15.00	0.00
Sub-total (B)(1):-	3,86,598	0	3,86,598	15.00	3,86,598	0	3,86,598	15.00	0.00
2. Non-Institutions	–	–	–	–	–	–	–	–	–
a) Bodies Corporate	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual Shareholders Holding nominal Share Capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual Shareholders Holding nominal Share Capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c. Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B) = (B)(1)+(B)(2)	3,86,598	0	3,86,598	15.00	3,86,598	0	3,86,598	15.00	0.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	25,77,290	30	25,77,320	100.00	25,77,290	30	25,77,320	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In shareholding during the year
		No. of Shares	% of Total Shares of the Company	%of Shares Pledged/ Encumbered to total shares	No. of Shares	% of Total Shares of the Company	%of Shares Pledged/ Encumbered to total shares	
1.	Mahindra & Mahindra Financial Services Limited	21,90,692	85.00	–	21,90,692	85.00	–	0.00
2.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Ramesh Iyer	5	0.00	Nil	5	0.00	Nil	0.00
3.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Rajeev Dubey	5	0.00	Nil	5	0.00	Nil	0.00
4.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Bharat Doshi	5	0.00	Nil	0	0.00	Nil	0.00
5.	Mahindra & Mahindra Financial Services Limited Jointly with Dr. Jaideep Devare	5	0.00	Nil	5	0.00	Nil	0.00
6.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. S. Durgashankar	5	0.00	Nil	5	0.00	Nil	0.00
7.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Venkatraman Ravi	5	0.00	Nil	5	0.00	Nil	0.00
8.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Rajesh Vasudevan	0.00	0.00	Nil	5	0.00	Nil	0.00
	Total	21,90,722	85.00	–	21,90,722	85.00	–	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mahindra & Mahindra Financial Services Limited along with joint holders				
	At the beginning of the year (As on 1 st April, 2015)	21,90,722	85.00	21,90,722	85.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No change			
	At the end of the year (As on 31 st March, 2016)	21,90,722	85.00	21,90,722	85.00

Note: There was transfer of Five Equity Shares from Mahindra & Mahindra Financial Services Limited jointly with Mr. Bharat Doshi to Mahindra & Mahindra Financial Services Limited jointly with Mr. Rajesh Vasudevan. However, there was no change in the beneficial ownership of these Shares.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Inclusion Resources Private Limited				
	At the beginning of the year (As on 1 st April, 2015)	3,86,598	15.00	3,86,598	15.00
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No change		
	At the end of the year (As on 31 st March, 2016)	3,86,598	15.00	3,86,598	15.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Ramesh Iyer (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As on 1 st April, 2015)	5	0.00	5	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No change		
	At the end of the year (As on 31 st March, 2016)	5	0.00	5	0.00
2.	Mr. V. Ravi (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As on 1 st April, 2015)	5	0.00	5	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No change		
	At the end of the year (As on 31 st March, 2016)	5	0.00	5	0.00
3.	Mr. Rajeev Dubey (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As on 1 st April, 2015)	5	0.00	5	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No change		
	At the end of the year (As on 31 st March, 2016)	5	0.00	5	0.00
4.	Dr. Jaideep Devare (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As on 1 st April, 2015)	5	0.00	5	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No change		
	At the end of the year (As on 31 st March, 2016)	5	0.00	5	0.00
5.	Mr. Hemant Sikka				
	At the beginning of the year (As on 1 st April, 2015)	Nil	0.00	Nil	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No change		
	At the end of the year (As on 31 st March, 2016)	Nil	0.00	Nil	0.00
6.	Mr. Nityanath Ghanekar				
	At the beginning of the year (As on 1 st April, 2015)	Nil	0.00	Nil	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No change		
	At the end of the year (As on 31 st March, 2016)	Nil	0.00	Nil	0.00
7.	Ms. Anjali Raina				
	At the beginning of the year (As on 1 st April, 2015)	Nil	0.00	Nil	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No change		
	At the end of the year (As on 31 st March, 2016)	Nil	0.00	Nil	0.00
8.	Ms. Rupa Joshi - Company Secretary (Appointed as a Company Secretary with effect from 15 th July, 2015)				
	At the beginning of the year (As on 1 st April, 2015)	Nil	0.00	Nil	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		No change		
	At the end of the year (As on 31 st March, 2016)	Nil	0.00	Nil	0.00

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the Financial Year	-	-	-	-
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the Financial Year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

(Rs. In Lacs)

Sr. no.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Managing Director	Whole time Director	Manager	
1.	Gross salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	86.61	-	-	86.61
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961@	37.62	-	-	37.62
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	NA	-	-	NA
2.	Stock Option	NA	-	-	NA
3.	Sweat Equity	NA	-	-	NA
4.	Commission - as % of profit - others	NA	-	-	NA
5.	Others	NA	-	-	NA
	Total (A)	124.23	-	-	124.23
	Ceiling as per the Act				5% of the Net Profits equivalent to Rs. 377.06 lakhs with respect to the ceiling for the Company applicable for the Financial Year covered by this Report.

@ Includes Perquisite Value of Stock Options of Mahindra & Mahindra Financial Services Limited (Holding Company) for 17,481 Equity Shares of Rs. 2 each exercised during the FY 2015-16.

B. Remuneration to other directors:

(Rs. In Lacs)

Particulars of Remuneration	Mr. Nityanath Ghaneekar	Ms. Anjali Raina	Total Amount
1. Independent Directors			
• Fee for attending Board/Committee Meetings	3.30	3.50	6.80
• Commission	–	–	–
• Others	–	–	–
Total (1)	3.30	3.50	6.80
2. Other Non-Executive Directors			
• Fee for attending Board/Committee Meetings	–	–	–
• Commission	–	–	–
• Others	–	–	–
Total (2)	–	–	–
Total (B) = (1+2)	3.30	3.50	6.80
Total Managerial Remuneration	3.30	3.50	6.80
Overall Ceiling as per the Act	1% of the Net profits equivalent to Rs. 75,41,210/- with respect to the ceiling for the Company applicable for the Financial Year covered by this Report.		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary [@] (Ms. Rupa Joshi) ⁽¹⁾	CFO	Total
1.	Gross salary	–	2.99	–	2.99
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	–	–	–
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–	–
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	- as % of profit	–	–	–	–
	- others	–	–	–	–
5.	Others	–	–	–	–
	Total	–	2.99	–	2.99

@ Secretarial function covered under cost sharing agreement.

(1) Ms. Rupa Joshi was appointed as the Company Secretary with effect from 15th July, 2015.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/court)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai, 15th April, 2016

ANNEXURE III-A TO THE DIRECTORS' REPORT

POLICY ON REMUNERATION OF DIRECTORS

Prelude

Mahindra Insurance Brokers Limited ("Company") is a composite insurance broking company registered with the Insurance Regulatory and Development Authority of India ('IRDAI'), and is engaged in providing direct insurance broking for Corporate and Retail customers and offers a range of products for the Non-Life and Life segments. The Company is also engaged in the business of reinsurance broking wherein it caters to insurance requirements of Insurance Companies.

This Policy shall be effective from the Financial Year 2014-15.

Intent of the Policy

The intent of the Remuneration Policy of Directors of the Company is to focus on enhancing the value and to attract and retain quality individuals with requisite knowledge and excellence as Executive and Non-Executive Directors for achieving objectives of the Company and to place the Company in a leading position.

The Nomination and Remuneration Committee (NRC) of the Board shall, while formulating the policy ensure that —

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

While deciding the policy on remuneration of Directors the Committee may consider amongst other things, the duties and responsibilities cast by the Companies Act, 2013, various Codes of Conduct, Articles of Association, restrictions on the remuneration to Directors as also the remuneration drawn by Directors of other companies in the industry, the valuable contributions and inputs from Directors based on their knowledge, experience and expertise in shaping the destiny of the Company etc. The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act, 2013 and principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

Directors

The Managing Director is an executive of the Company and draws remuneration from the Company. The Non-Executive Chairman and Independent Directors may receive sitting fees for attending the Meeting of the Board and the Committees thereof, if fixed by the Board of Directors from

time to time subject to statutory provisions. The Non-Executive Chairman and Independent Directors would be entitled to the remuneration under the Companies Act, 2013. A Non-Executive Chairman and Non-Executive Non-Independent Directors who receive remuneration from the Holding Company or a Group Company will not be paid any sitting fees or any remuneration. In addition to the above, the Directors are entitled for reimbursement of expenses incurred in discharge of their duties. Payment of Remuneration to Nominee Directors shall be governed by the agreement with the Financial Institution/ Bank appointing the Nominee Director and by the Articles of Association of the Company.

The Managing Director and other eligible Director(s) as per extant statutory provisions may be granted Employees Stock Options, Stock Appreciation Rights or any other Share based Employee benefits pursuant to any scheme that may be approved by the Board of Directors and Shareholders of the Company subject to such other approvals as may be required.

Non Executive Directors may be paid remuneration either by way of monthly payment or at a specified percentage of net profits of the Company or partly by one way and partly by another, subject to the provisions of Companies Act, 2013.

The NRC while determining the remuneration shall ensure that the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully. While considering the remuneration, the NRC shall also ensure a balance between fixed and performance-linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The NRC shall consider that a successful Remuneration Policy must ensure that some part of the remuneration is linked to the achievement of corporate performance targets.

Managing Director/Executive Directors

The term of office and remuneration of Managing Director/ Executive Directors are subject to the approval of the Board of Directors, Shareholders, Central Government and other Statutory Authorities as may be required and the limits laid down under the Companies Act, 2013 from time to time.

If, in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its Managing Director/ Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

If any Managing Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and

until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration of the Managing Director/Executive Directors reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Managing Director/Executive Directors, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

Remuneration for Managing Director/Executive Director is designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The remuneration to the Managing Director/Executive Director comprises of salary, perquisites and performance based incentive apart from retirement benefits like Provident Fund, Superannuation, Gratuity, Leave Encashment, etc., as per Rules of the Company. Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended/approved by the NRC/Board. In terms of the shareholders' approval, the Commission may be paid to Managing Director in any Financial Year at a rate not exceeding 1/4% (one fourth percent) per annum of the profits of the Company computed in accordance with the applicable provisions of the Companies Act, 2013 as may be recommended by NRC and approved by the Board.

The total remuneration will have a flexible component with a bouquet of allowances to enable the Managing Director/Executive Director to choose the allowances as well as the quantum based on laid down limits as per Company Policy. The flexible component can be varied only once annually.

The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal year to arrive at the BSC rating of the business and performance rating of the individual.

Remuneration also aims to motivate the Personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Managing Director/Executive Directors are entitled to customary non-monetary benefits such as company cars, health care benefits, leave travel, communication facilities, etc., as per policies of the Company. The Managing Director and Executive Directors are entitled to grant of Stock Options as per the approved Stock Options Schemes of the Company from time to time.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Managing Director/Executive Directors and Key Managerial Personnel/Senior Management Personnel may be disclosed in the Board's Report as per statutory requirements laid down in this regard.

ANNEXURE III-B TO THE DIRECTORS' REPORT

REMUNERATION POLICY FOR KEY MANAGERIAL PERSONNEL AND EMPLOYEES

This Policy shall be effective from the Financial Year 2014-15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Definition(s)

“**Key Managerial Personnel**” (KMP) as defined in Section 2(51) of the Companies Act, 2013 means:

- (i) the Chief Executive Officer or the Managing Director or Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed.

Standard

The broad structure of compensation payable to employees is as under:

- Fixed pay which has components like basic salary & other allowances/flexi pay as per the grade where the employees can chose allowances from bouquet of options.
- Variable pay (to certain grades) in the form of annual/half yearly performance pay based on Key Results Areas agreed – as applicable.
- Incentives either monthly or quarterly based on targets in the lower grades.
- Retirals such as Provident Fund, Gratuity & Superannuation (for certain grades).
- Benefits such as Employee Stock Option scheme, car scheme, medical & dental benefit, loans, insurance, telephone reimbursements, etc., as per grades.

Increments

- Salary increase is given to eligible employees based on position, performance & market dynamics as decided from time to time.

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai, 15th April, 2016

ANNEXURE IV TO THE DIRECTORS' REPORT

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

(A) Conservation of energy-

- i. the steps taken or impact on conservation of energy;

The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption

- ii. the steps taken by the company for utilising alternate sources of energy – Nil

- iii. the capital investment on energy conservation equipments – Not Applicable

(B) Technology absorption-

- i. the efforts made towards technology absorption – *None*.

- ii. the benefits derived like product improvement, cost reduction, product development or import substitution – *Not applicable*.

- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)

- | | |
|--|-------------------------|
| a) the details of technology imported | : <i>None</i> |
| b) the year of import; | : <i>Not applicable</i> |
| c) whether the technology been fully absorbed; | : <i>Not applicable</i> |
| d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; | : <i>Not applicable</i> |

- iv. the expenditure incurred on Research and Development – *Nil*.

(C) Foreign exchange earnings and Outgo

The information on foreign exchange earnings and outgo is furnished in the Notes to the Accounts.

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai, 15th April, 2016

INDEPENDENT AUDITOR'S REPORT

To

The Members of MAHINDRA INSURANCE BROKERS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Mahindra Insurance Brokers Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2016, and the statements of profit and loss and cash flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. 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 purpose 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 and Cash Flow dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 which would impact its financial position.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses that need provision.
 - iii. During the year, there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.

For B. K. Khare & Co.

Chartered Accountants

Firm's Registration Number: 105102W

H. P. Mahajani

Partner

Place: Mumbai,

Date: April 15, 2016

Membership Number: 030168

ANNEXURE I TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the financial statements of **Mahindra Insurance Brokers Limited** for the year ended March 31, 2016

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property.
2. The Company is in the business of providing insurance broking services and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said order are 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 provisions of clause (iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are 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.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore the provisions of Clause 3(v) of the Order are not applicable to the company.
6. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
7. (i) According to the records of the Company and information and explanations given to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Excise Duty, Service Tax, Customs Duty, value added tax, and other statutory dues applicable to it with the concerned authorities.
- (ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year-end for a period of more than six months from the date they became payable.
- (iii) 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 and value added tax and cess which have not been deposited on account of any dispute.
8. Based on the records examined by us and according to the information and explanations given to us, the Company has not borrowed any money from financial institution or banks or debenture holders during the year under audit.
9. In our opinion and according to the information and explanations given to us, during the year, no term loans were obtained by the Company. During the year, there were no moneys raised by way of initial public offer or further public offer.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, except for two instances aggregating Rs. 7.05 lakhs, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
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. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

H. P. Mahajani
Partner

Place: Mumbai,
Date: April 15, 2016

Membership Number. 030168

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA INSURANCE BROKERS LIMITED

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

We have audited the internal financial controls over financial reporting of **Mahindra Insurance Brokers Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 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, 2016, 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 Number: 105102W

H. P. Mahajani
Partner

Place: Mumbai,
Date: April 15, 2016

Membership Number. 030168

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	Rs. in Lacs	
		March 2016	March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	257.73	257.73
(b) Reserves and surplus	2	21,314.76	16,931.47
		<u>21,572.49</u>	<u>17,189.20</u>
(2) Non-current liabilities			
(a) Long-term provisions	3	146.30	115.42
		<u>146.30</u>	<u>115.42</u>
(3) Current liabilities			
(a) Trade payables		556.22	222.97
(b) Other current liabilities	4	142.23	117.02
(c) Short-term provisions	5	1,521.61	1,138.89
		<u>2,220.06</u>	<u>1,478.88</u>
TOTAL		<u>23,938.85</u>	<u>18,783.50</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	479.02	217.33
(b) Non-current investments	7	9,015.00	9,640.00
(c) Deferred tax assets (net)	8	76.50	52.32
(d) Long-term loans and advances	9	2,110.16	2,080.44
(e) Other Non-Current Assets	10	60.00	60.00
		<u>11,740.68</u>	<u>12,050.09</u>
(2) Current assets			
(a) Current investments	11	4,375.00	125.00
(b) Trade receivables	12	2,212.76	1,325.73
(c) Cash and cash equivalents	13	303.12	166.35
(d) Short-term loans and advances	14	3,382.59	4,240.96
(e) Other current assets	15	1,924.70	875.37
		<u>12,198.17</u>	<u>6,733.41</u>
TOTAL		<u>23,938.85</u>	<u>18,783.50</u>
Summary of significant accounting policies & notes to the financial statements.		I & II	

The notes referred to above form an integral part of the Balance Sheet

For B. K. Khare & Co.

Chartered Accountants

Firm Registration Number. 105102W

H. P. Mahajani

Partner

Membership Number. 30168

Rajeev Dubey

Chairman

Ramesh Iyer

Nityanath Ghanekar

V. Ravi

Directors

Anjali Raina

Hemant Sikka

Dr. Jaideep Devare

Managing Director

Rupa Joshi

Company Secretary

Place : Mumbai,

Date : 15th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	Rs. in Lacs	
		March 2016	March 2015
I. Revenue from operations	16	13,136.07	11,229.70
II. Other income		1,783.82	1,389.87
III. Total Revenue (I + II)		14,919.89	12,619.57
IV. Expenses:			
Employee benefits expense	17	4,953.18	4,273.06
Depreciation	18	134.05	124.12
Other expenses	19	2,312.24	1,694.44
Total expenses		7,399.47	6,091.62
V. Profit before exceptional and extraordinary items and tax (III – IV)		7,520.42	6,527.95
VI. Exceptional items		–	–
VII. Profit before extraordinary items and tax (V – VI)		7,520.42	6,527.95
VIII. Extraordinary Items		–	–
IX. Profit before tax (VII - VIII)		7,520.42	6,527.95
X. Tax expense:			
(1) Current tax		2,696.00	2,270.00
(2) Deferred tax (Asset)/Liability		(24.17)	(35.63)
		2,671.83	2,234.37
XI. Profit/(Loss) for the period from continuing operations		4,848.59	4,293.58
XII. Profit/(Loss) for the period		4,848.59	4,293.58
XIII. Earnings per equity share:			
(1) Basic		188.13	166.59
(2) Diluted		188.13	166.59
Summary of significant accounting policies & notes to the financial statements.	I & II		

The notes referred to above form an integral part of the Statement of Profit & Loss

For **B. K. Khare & Co.**

Chartered Accountants

Firm Registration Number. 105102W

H. P. Mahajani

Partner

Membership Number. 30168

Rajeev Dubey

Chairman

Ramesh Iyer

Nityanath Ghanekar

V. Ravi

Directors

Anjali Raina

Hemant Sikka

Dr. Jaideep Devare

Managing Director

Rupa Joshi

Company Secretary

Place : Mumbai,

Date : 15th April, 2016

CASH FLOW STATEMENT

Particulars	Rs. in Lacs	
	March 2016	March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes and contingencies	7,520.42	6,527.95
Add/(Less):		
Depreciation & Amortisation	134.05	124.12
Interest Income	(1,783.71)	(1,389.64)
Provision for Doubtful Debts/Advances Writen-off (net)	18.39	5.98
(Profit)/Loss on sale/retirement of assets	2.63	(0.14)
Operating profit before working capital changes	(I) 5,891.78	5,268.27
Less:		
(Increase)/Decrease in Trade receivables	(905.43)	(105.78)
(Increase)/Decrease in Long Term Loans & Advances	(29.72)	(41.04)
(Increase)/Decrease in Short Term Loans & Advances	(41.64)	(24.57)
(Increase)/Decrease in Current Assets	(0.60)	14.14
	(977.39)	(157.25)
Add: Increase/(Decrease) in Current liabilities	37.34	1.02
Add: Increase/(Decrease) in Long Term Provision	41.35	38.16
Add: Increase/(Decrease) in Trade Payable	333.25	20.77
Add: Increase/(Decrease) in Short Term Provision	181.04	147.99
	(II) (384.41)	50.69
Cash generated from operations	(I + II) 5,507.37	5,318.96
Income Taxes paid	(2,594.43)	(2,160.70)
NET CASH FROM OPERATING ACTIVITIES	(A) 2,912.94	3,158.26
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(399.17)	(164.60)
Sale of fixed assets	0.79	0.37
Interest received	734.98	993.53
Investment in fixed deposits	(3,625.00)	(7,065.00)
Intercorporate deposits redeemed (net)	900.00	2,940.00
NET CASH FROM INVESTING ACTIVITIES	(B) (2,388.40)	(3,295.70)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(387.75)	(301.53)
NET CASH FROM FINANCING ACTIVITIES	(C) (387.75)	(301.53)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C)	136.79	(438.97)
CASH AND CASH EQUIVALENTS AS AT:		
Beginning of the period	166.33	605.30
End of the period	303.12	166.33

Examined and found correct

For B. K. Khare & Co.

Chartered Accountants

Firm Registration Number. 105102W

H. P. Mahajani

Partner

Membership Number. 30168

Rajeev Dubey*Chairman***Ramesh Iyer****Nityanath Ghanekar****V. Ravi***Directors***Anjali Raina****Hemant Sikka****Dr. Jaideep Devare***Managing Director***Rupa Joshi***Company Secretary*

Place : Mumbai,

Date : 15th April, 2016

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

I. Summary of Significant Accounting Policies:

1) Basis for Preparation of Financial Statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards notified under the said Act.

All assets & liabilities have been classified as current & non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of assets & liabilities.

2) Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting year. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future years.

3) Revenue Recognition:

a) General:

The Company generally follows the accrual method of accounting for its income and expenditure.

b) Brokerage Income:

Brokerage Income, Handling Charges & Broker Retainer Fees is accounted for net of Service Tax 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.

c) Insurance Consultancy Fees:

Revenue from Insurance Consultancy is recognised net of service tax on rendition of service in accordance with the terms of the contract with customer.

4) Investments:

Investments held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Investments other than long-term investments are classified as current investments and valued at cost or fair value whichever is less.

Provision for diminution in value of investments is made if management perceives that there is permanent diminution in value of investments in accordance with the Accounting Standard on 'Accounting for Investments' (AS 13) notified by Companies (Accounting Standards) Rules, 2006.

5) Share Issue Expenses:

Expenses incurred in connection with fresh issue of share capital are adjusted against Securities premium reserve in the year in which they are incurred.

6) Fixed Assets:

Fixed assets are stated at cost of acquisition (including incidental expenses), less depreciation.

7) Depreciation:

Depreciation on fixed assets is calculated by the straight line method at rates determined with reference to the useful life of fixed assets

and in the manner provided for in Schedule II to the Companies Act 2013 except:

- (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.

Accordingly, useful life of assets is estimated as follows:

Vehicles	– 4 Years
Computer	– 3 Years
Server	– 6 Years
Furniture	– 10 Years
Office Equipment	– 5 Years
Assets costing less than INR 5000	– < 1 Year

8) Foreign exchange transactions and translations:

i. Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction dates.

ii. Conversion

- a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.
- b. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
- b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

9) Employee Benefits:

Retirement Benefits in respect of gratuity at retirement/cessation are provided for based on valuations, as the Balance Sheet date, made by independent actuaries.

a. Defined Contribution Plans –

Company's contribution paid/payable during the year to Provident Fund, Superannuation and Labour Welfare Fund are recognised in Statement of Profit & Loss.

b. Defined Benefit Plan –

Company's liabilities towards gratuity & leave encashment is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

10) Impairment of assets:

The carrying value of assets/cash generating units at each balance sheet date is reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor

11) Segment Reporting:

The company has single reportable segment namely insurance auxiliary services for the purpose of Accounting Standard 17 on Segment Reporting.

12) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

13) Provisions and Contingent Liabilities:

- a) Provision for doubtful debts is made on the basis of standard norms and also, where required, on actual evaluation.
- b) Provisions are recognised in accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

14) 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.

II. Notes to the financial statements for the year ended 31st March, 2016

1) Share Capital:

	Rs. in Lacs	
	March 2016	March 2015
Authorised:		
(Previous Year: 3,500,000)		
3,500,000 Equity Shares of Rs.10 each	350.00	350.00
Issued Capital:		
(Previous Year: 25,77,320)		
2,577,320 Equity Shares of Rs.10 each	257.73	257.73
Subscribed & Paid up Capital:		
(Previous Year: 25,77,320)		
2,577,320 Equity Shares of Rs.10 each	257.73	257.73
TOTAL	257.73	257.73

Other quantitative Information:

Particulars	March 2016		March 2015	
	Number of Shares	Rs. in Lacs	Number of Shares	Rs. in Lacs
a. Reconciliation of the number of shares -				
Balance at the beginning of the year	2,577,320	257.73	2,577,320	257.73
Add: Fresh allotment of shares during the year:				
1) Private placement to QIBs under QIP	0	0	0	0
2) Issue of Bonus/Rights shares	0	0	0	0
3) Any others (specify)	0	0	0	0
Balance at the end of the year	2,577,320	257.73	2,577,320	257.73
b. Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries/ associates -				
Holding company : Mahindra & Mahindra Financial Services Limited	2,190,722	219.07	2,190,722	219.07
(Equity shares of Rs. 10/- Each)				
Percentage of holding (%)	85	85	85	85

Particulars	March 2016		March 2015		Rs. in Lacs
	Number of Shares	Rs. in Lacs	Number of Shares	Rs. in Lacs	
c. Shareholders holding more than 5 percent shares:					
Mahindra & Mahindra Financial Services Limited	2,190,722	219.07	2,190,722	219.07	
Percentage of holding (%)	85	85	85	85	
Inclusion Resources Private Ltd.	386,598	38.66	386,598	38.66	
Percentage of holding (%)	15	15	15	15	

Particulars	March 2016		March 2015		Rs. in Lacs
	Number of Shares	Rs. in Lacs	Number of Shares	Rs. in Lacs	
d. Shares allotted during the period of five years immediately preceding the date as at which the Balance Sheet is prepared:					
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	2,000,000	200.00	2,000,000	200.00	

2) Reserves and Surplus:

Particulars	Rs. in Lacs	
	March 2016	March 2015
General Reserve:		
Balance as at the beginning of the year	1,658.43	1,228.43
Add: Transfer from Surplus in the Statement of Profit & Loss	-	430.00
Balance as at the end of the year	1,658.43	1,658.43
Securities premium account:		
Balance as at the beginning of the year	1,589.50	1,589.50
Add: Additions during the year	-	-
Balance as at the end of the year	1,589.50	1,589.50

6) Tangible Assets:

Description of Assets	Gross Block At Cost				Depreciation					Net Block	
	As at 1 st April, 2015	Additions for Purch/Trf	Deductions for Sale/Trf	As at 31 st March, 2016	Upto 1 st April, 2015	Additions/Trf	Depreciation Trf to Reserve	Deductions/Trf	Upto 31 st March, 2016	As at 31 st March, 2016	As at 1 st April, 2015
Vehicles	236.52	131.55	33.55	334.52	96.63	70.43	-	31.39	135.67	198.85	139.89
Furniture	11.17	29.49	-	40.66	5.85	5.41	-	-	11.26	29.40	5.32
Office Equipment	35.42	24.53	-	59.95	18.77	8.82	-	-	27.59	32.36	16.65
Computers	182.27	213.61	3.50	392.38	126.80	49.39	-	2.22	173.97	218.41	55.47
Total	465.38	399.18	37.05	827.51	248.05	134.05	-	33.61	348.49	479.02	217.33
As at 31-03-2015	301.56	164.61	0.79	465.38	109.83	124.12	14.67	0.57	248.05	217.33	191.73

Particulars	Rs. in Lacs	
	March 2016	March 2015
Surplus in Statement of Profit and Loss:		
Balance as at the beginning of the year	13,683.54	10,217.41
Less: Depreciation (net of deferred tax) (refer note 23)	-	(9.69)
Add: Profit for the current year transferred from Statement of Profit & Loss	4,848.59	4,293.58
18,532.13	14,501.30	
Less : Allocations & Appropriations :		
Transfer to General Reserve	-	430.00
Proposed Dividend (Final)	386.60	322.17
Corporate Dividend Tax (Final)	78.70	65.59
465.30	817.76	
Balance in statement of profit & loss	18,066.83	13,683.54
TOTAL	21,314.76	16,931.47

3) Long-term Provisions:

Particulars	Rs. In Lacs	
	March 2016	March 2015
Provision for Employee Benefit (Refer note 9(b))	146.30	115.42
TOTAL	146.30	115.42

4) Other Current Liabilities:

Particulars	Rs. In Lacs	
	March 2016	March 2015
Taxes deducted at source (TDS)	49.22	38.96
Service tax payable	28.60	37.07
Other Payables	64.41	40.99
TOTAL	142.23	117.02

5) Short-term Provisions:

Particulars	Rs. In Lacs	
	March 2016	March 2015
Provision for Employee Benefits	867.93	664.32
Proposed Dividend	386.60	322.17
Corporate Dividend Tax	78.70	65.59
Provision for Tax (net of advance tax)	188.38	86.81
TOTAL	1,521.61	1,138.89

7) Non Current Investments:	Rs. in Lacs	March 2016	March 2015	12) Trade Receivables:	Rs. in Lacs	March 2016	March 2015
				Sundry Debtors (Unsecured):			
Fixed Deposits with companies				Outstanding for a period exceeding six months			
- Mahindra & Mahindra Financial Services Limited (holding company)		9,015.00	9,640.00	Considered good	26.00	27.98	
TOTAL		<u><u>9,015.00</u></u>	<u><u>9,640.00</u></u>	Considered Doubtful	39.02	20.63	
				Less : Provision for doubtful debts (Refer clause 13(a) of Note I)	(39.02)	(20.63)	
8) Deferred Tax Assets (net):	Rs. in Lacs	March 2016	March 2015		26.00	27.98	
				Others	2,186.76	1,297.75	
a) Deferred tax assets				TOTAL	<u><u>2,212.76</u></u>	<u><u>1,325.73</u></u>	
Provision for doubtful debts		13.50	7.00				
Depreciation		13.21	10.80	# Refer Significant Accounting Policy No.13			
Other Disallowances		51.33	39.91				
	(a)	<u><u>78.04</u></u>	<u><u>57.71</u></u>	13) Cash & Cash Equivalents:	Rs. in Lacs	March 2016	March 2015
b) Deferred tax liabilities							
Others		1.54	5.39	Cash and cash equivalents:			
	(b)	<u><u>1.54</u></u>	<u><u>5.39</u></u>	- Cash and Cheques on hand	1.90	1.35	
TOTAL		<u><u>76.50</u></u>	<u><u>52.32</u></u>	- Balance with banks in current accounts	301.22	165.00	
				TOTAL	<u><u>303.12</u></u>	<u><u>166.35</u></u>	
9) Long-term loans and advances:	Rs. in Lacs	March 2016	March 2015	TOTAL	<u><u>303.12</u></u>	<u><u>166.35</u></u>	
				14) Short-term Loans and Advances:	Rs. in Lacs	March 2016	March 2015
Loans and advances (unsecured, considered good):							
Deposits for Office Premises/Others		53.59	43.81	Loans and advances (unsecured, considered good):			
Inter Corporate Deposits placed with related parties		2,000.00	2,000.00	Inter corporate deposits placed with related parties (for less than one year)	3,125.00	4,025.00	
Other Advances recoverable in cash or kind or for value to be received		28.00	36.63	Gratuity plan asset (Refer note 10)	7.25	15.88	
Capital Advances		28.57	0.00	Prepaid Expenses	213.22	163.88	
TOTAL		<u><u>2,110.16</u></u>	<u><u>2,080.44</u></u>	Other advances recoverable in cash or kind or for value to be received	37.12	36.20	
				TOTAL	<u><u>3,382.59</u></u>	<u><u>4,240.96</u></u>	
10) Other Non-Current assets:	Rs. in Lacs	March 2016	March 2015	15) Other Current Assets:	Rs. in Lacs	March 2016	March 2015
- Term Deposit with Scheduled Banks [Under lien to IRDA for broking license] with maturity greater than 12 months		60.00	60.00	Interest accrued but not due - Bank FD	9.67	4.39	
TOTAL		<u><u>60.00</u></u>	<u><u>60.00</u></u>	Interest accrued but not due - Others	1,911.55	868.09	
				Other Current Assets	3.48	2.89	
11) Current Investments:	Rs. in Lacs	March 2016	March 2015	TOTAL	<u><u>1,924.70</u></u>	<u><u>875.37</u></u>	
				16) Revenue From Operations:	Rs. in Lacs	March 2016	March 2015
Fixed Deposits with companies							
- Mahindra & Mahindra Financial Services Limited (holding company)		4,375.00	125.00	Brokerage	6,380.00	5,290.24	
TOTAL		<u><u>4,375.00</u></u>	<u><u>125.00</u></u>	Broker Retainer Fees	4,556.06	4,338.26	
				Handling Charges	2,092.44	1,500.17	
				Consultancy Fees	107.57	101.03	
				TOTAL	<u><u>13,136.07</u></u>	<u><u>11,229.70</u></u>	

17) Employee Benefits Expense:

	Rs. in Lacs	
	March 2016	March 2015
Salary, Bonus & Incentives	4,358.18	3,824.98
Company's Contribution to Provident Fund and Other Funds	272.80	197.87
Employee Compensation Expenses on account of ESOPs	203.78	146.31
Staff Welfare Expenses	118.42	103.90
TOTAL	4,953.18	4,273.06

18) Depreciation:

	Rs. in Lacs	
	March 2016	March 2015
Vehicles	70.43	70.40
Furniture	5.41	1.30
Office Equipment	8.82	4.77
Computers	49.39	47.65
TOTAL	134.05	124.12

19) Other Expenses:

	Rs. in Lacs	
	March 2016	March 2015
Electricity charges	49.41	41.95
Rent	271.15	219.88
Administration support charges	131.72	120.68
Insurance	183.88	159.23
Rates and taxes, excluding taxes on income	8.47	8.10
Directors' sitting fees & commission	16.81	0.30
Legal & professional charges	224.48	20.52
Loss on sale/retirement of owned assets	2.63	0.00
Travelling expenses	687.26	572.40
Provision for doubtful debts - (Refer clause 13(a) of Note I)	18.39	5.98
Manpower outsourcing charges	29.44	24.10
Payment to the Auditors		
- As auditor	5.75	5.00
- Other services	5.48	5.06
CSR Expenses (Refer Note 8)	120.16	90.06
General & Administrative Expenses	557.21	421.18
TOTAL	2,312.24	1,694.44

Refer Significant Accounting Policy No.13

* CSR expenses represent contributions made to trusts which are carrying on the activities eligible under clause (i), (ii) & (iii) of the schedule VII of the Companies Act, 2013.

20) The company has submitted the application for renewal of its Composite Broking License due for renewal on 17/05/2016 on 04/04/2016.

21) In the opinion of the Board, Current Assets, Loans & Advances are approximately of the value stated if realised in the ordinary course of business.

22) The company earns brokerage from several insurance companies. The accounts of these insurance companies remain under reconciliation and are subject to confirmation. The company does not expect any significant variation in the book balances.

23) Pursuant to the Companies Act, 2013 (the "Act") becoming effective from 1st April, 2014, the Company has recomputed the depreciation based on the useful life of the assets as prescribed in Schedule II of the Act.

24) Related Party Disclosure as per Accounting Standard 18:

List of the related parties:

Ultimate Holding Company:
Mahindra & Mahindra Limited

Holding Company:
Mahindra & Mahindra Financial Services Limited

Fellow subsidiary Companies:

Mahindra Rural Housing Finance Limited

Key Management Personnel

Managing Director : Dr. Jaideep Devare
Company Secretary : Ms. Rupa Joshi

Related Parties Transactions are as under:

Sr. No.	Nature of transactions	Holding Companies*	Fellow subsidiary Companies	Key Management Personnel
1	INCOME			
	Interest (Gross)	1,363.13	411.71	-
		(972.18)	(402.67)	-
	Handling Charges (Gross of Service Tax)	2,389.54	Nil	-
		(1,685.59)	(Nil)	-
2	EXPENSES			
	Deputation Charges	14.71	Nil	-
		(Nil)	(Nil)	-
	Other Expenses (Gross of Service Tax) (refer note ii)	378.21	Nil	106.45
		(287.31)	(Nil)	(94.34)
3	FINANCE			
	Inter-corporate deposits/Fixed deposits placed (net)	14,315.00	4,200.00	-
		(11,340.00)	(4,450.00)	-
	Dividends Paid (for previous year)	273.84	Nil	-
		(219.07)	(Nil)	-
4	BALANCES AS AT THE YEAR END			
	Receivables	2,575.22	154.93	-
		(1,187.63)	(168.18)	-
	Payables (refer note ii)	70.11	Nil	-
		(80.06)	(Nil)	-

* includes ultimate parent company, Mahindra and Mahindra Limited

Note:

- Amounts in brackets represent amounts pertaining to previous financial year.
- The above amount excludes payments towards reimbursement of expenses.

Related party transactions are as under:

(Rs. in lacs)

Sr. No.	Nature of transactions	Holding Companies*	Fellow subsidiary Companies
1.	Income		
	Other Income	Mahindra and Mahindra Financial Services Limited	1,363.13
			(972.18)
		Mahindra Rural Housing Finance Limited	-
			411.71
			(402.67)
	Handling charges (Gross of service tax)	Mahindra and Mahindra Financial Services Limited	2,389.54
			(1,685.59)
2.	Expenses		
	Expenses (Gross of service tax)		

Rs. in Lacs

GRATUITY – Fully Funded	Gratuity Funded		Leave Non-Funded	
	March 2016	March 2015	March 2016	March 2015
III. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2016				
1. Present Value of Defined Obligation as at 31 st March, 2016	190.82	121.18	146.30	115.41
2. Fair Value of plan assets as at 31 st March, 2016	198.07	137.05	-	-
3. Fund status (Surplus/(Deficit))	7.25	15.87	(146.30)	(115.41)
4. Net Assets/(Liability) as at 31 st March, 2016	7.25	15.87	(146.30)	(115.41)
IV. Expenses recognised in the statement of Profit and Loss for the year ended 31st March 2016				
1. Current Service cost	111.90	76.79	132.32	116.33
2. Interest Cost	12.21	7.92	10.10	7.26
3. Expected return on Plan Assets	(10.96)	(7.82)	-	-
4. Net Actuarial (Gains)/Losses (Net of Opening Actuarial Gain/(Loss) adjustment)	(54.53)	(34.29)	(111.53)	(87.92)
5. Expenses recognised in statement of Profit & Loss	58.61	42.60	30.89	35.67
V. The Major Categories in Plan Assets as a percentage of total plan	100%	100%		
1. Insurer Managed Funds				
VI. Method of Valuation	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
VII. Actuarial Assumption				
1. Discount Rate	8%	8%	8%	8%
2. Expected rate of return on plan assets	8%	8%		
3. Mortality Table	LIC(IALM) (2006-08) Ultimate	LIC(IALM) (2006-08) Ultimate	LIC(IALM) (2006-08) Ultimate	LIC(IALM) (2006-08) Ultimate
4. Salary Increment Rate	5%	5%	5%	5%
5. Retirement Age	60 Years	60 Years	60 Years	60 Years
6. Withdrawal	Attrition rate of 1% up to the age of 30 Years		Attrition rate of 1% up to the age of 30 Years	

VIII. Experience Adjustments:

Rs. in lacs

	Year ended				
	March 2012	March 2013	March 2014	March 2015	March 2016
Defined Benefit obligation at end of the period	46.41	65.80	84.19	121.18	190.82
Plan assets at the end of period	48.05	68.02	96.01	137.05	198.07
Funded Status (Surplus)/Deficit	(1.64)	(2.22)	(11.82)	(15.87)	(7.25)
Experience adjustments on plan liabilities (gain)/loss	(6.96)	(5.98)	(18.50)	(15.98)	(22.17)
Experience adjustments on plan assets gain/(loss)	(0.83)	(1.06)	(1.34)	(2.03)	(2.74)

29) Earnings Per Share:

	March 2016	March 2015
Amount used as numerator – Balance of Profit after Tax available for shareholders (Rs. in Lacs)	4,848.59	4293.58
Weighted average number of equity shares used in computing basic earnings per share	25,77,320	25,77,320
Weighted average number of equity shares used in computing diluted earnings per share	25,77,320	25,77,320
Basic earnings per share (Rs.) (Face value of Rs.10 per share)	188.13	166.59
Diluted earnings per share (Rs.)	188.13	166.59

30) Suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006, has not furnished the information regarding filing of necessary memorandum with appointed authority. In view of this and legal opinion obtained by the Company, information required under Section 22 of the said Act is not given.

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

Signatures to Significant accounting policies and Notes to the financial statements – I and II

For B. K. Khare & Co.

Chartered Accountants
Firm Registration Number.
105102W

Rajeev Dubey

Chairman

Ramesh Iyer

Nityanath Ghanekar

V. Ravi

Anjali Raina

Hemant Sikka

Dr. Jaideep Devare

Rupa Joshi

Directors

Managing Director

Company Secretary

H. P. Mahajani

Partner
Membership Number. 30168

Mumbai:
Date:15th April, 2016