

Board's Report

To,
The Members of
Mahindra Insurance Brokers Limited

Your Directors have pleasure in presenting the 31st Annual Report along with the Audited Accounts of your Company for the year ended March 31, 2018.

1. FINANCIAL RESULTS

(Amount in Rs. Crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income	245.13	174.23
Profit before Interest, Depreciation and Taxation	85.51	84.26
Depreciation	2.34	1.90
Profit before Taxation	83.17	82.36
Provision for Taxation:		
Provision for Current Tax	31.23	29.05
Provision for Deferred Tax	(1.54)	(0.15)
Excess provisions of earlier years written back	(0.10)	0
Provision for Taxation	29.59	28.90
Profit after Taxation	53.58	53.46
Other Comprehensive Income	(1.42)	(0.41)
Total Comprehensive Income for the period	52.16	53.05
Balance of Retained Earnings for prior years	233.72	185.32
Amount available for appropriation	287.71	238.37
Appropriations:		
Dividend on Equity Shares (paid)	4.51	3.87
Tax on Dividend (paid)	0.92	0.78
Surplus Retained Earnings carried to Balance Sheet	281.87	233.72

2. DIVIDEND

Your Directors recommend a dividend of Rs.18 per Equity Share on 25,77,320 Equity Shares of Rs.10 each, aggregating to Rs. 4.63 crores (previous year Rs. 4.51 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.5.59 crores (as against Rs. 5.43 crores on account of dividend of Rs. 17.50 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. 282.29 crores is proposed to be retained in the statement of Profit and Loss.

4. OPERATIONS

The year ended March 31, 2018 marked the 14th year of successful insurance broking operations of your Company. In this journey of 14 years, your Company has been able to cross a major milestone of servicing over ~10 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 2,00,000 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 approximately 2.59 million insurance cases, with a total of 20,58,613 cases for both Life and Non-Life Retail business. The customized Life insurance cover "Mahindra Loan Suraksha" (MLS) increased from 5,82,949 lives covered

with a Sum Assured of Rs. 18,027.6 crores in the Financial Year 2016-17 to 6,85,264 lives covered with a Sum Assured of Rs. 21,359.2 crores in the Financial Year 2017-18. A substantial portion of MLS continues to be covered in the rural markets.

Your Company achieved a growth of 31% in Gross Premium facilitated for the Corporate and Retail business lines, increasing from Rs. 1,567.9 crores in the Financial Year 2016-17 to Rs. 2,049.1 crores in the Financial Year 2017-18. The Total Income increased by 41% from Rs. 174.2 crores in the Financial Year 2016-17 to Rs. 245.1 crores in the Financial Year 2017-18. The Profit before Tax increased by 1% from Rs. 82.4 crores to Rs. 83.2 crores, and the Profit after Tax increased by 0.2% from Rs. 53.5 crores to Rs. 53.6 crores during the same period. The Networth increased by 17% from Rs. 268.8 crores in the Financial Year 2016-17 to Rs. 315.5 crores in the Financial Year 2017-18.

5. ACHIEVEMENTS

Dr. Jaideep Devare, Managing Director, received the Asia Pacific Entrepreneurship Award 2017 (Financial Services Industry) for "Outstanding and Exemplary Achievements in Entrepreneurship" at the 8th Asia Pacific Entrepreneurship Awards 2017 in April 2017.

The Company was awarded with India CSR Award 2017 in May 2017 under the Women Empowerment category for the 'Women-on-Wheels' programme in partnership with the Azad Foundation in Jaipur. 'Women-on-Wheels' programme provides technical, self-empowerment and self-development training, to fully equip women with limited resources to become self-sustaining professional drivers, thus empowering them to gain remunerative livelihoods with dignity.

The Company was also awarded with the Winner's Trophy in the category "Management of Change and Excellence in HRM" in Large Service / Infrastructure / Educational Sector at the First CII National HR Circle Competition held in November 2017.

The Company received the "Strong Commitment to HR Excellence" award at the CII – 8th National HR Excellence Award Confluence 2017-18 in February 2018.

The Company, in the BFSI sector globally, to be rated by CMMI Institute's People Capability Maturity Model® at Maturity Level 5 of the People Capability Maturity Model (People CMM®) in February 2018.

Dr. Jaideep Devare, Managing Director of the Company listed among "50 Most Influential Rural Marketing Professionals of India" at the 5th Edition of Rural Marketing Forum in February 2018.

The Company ranked among India's 15 Best Workplaces in BFSI Sector - 2018 by Great Place to Work® Institute India in March 2018.

6. SIGNIFICANT EVENTS

During the year, LeapFrog Financial Inclusion Fund ("LFIF") which held 15% of the equity share capital in your company through its 100% subsidiary, Inclusion Resources Pte Ltd ("IRPL"), sold its entire stake in IRPL to Fundamental Insurance Investments Limited ("FIIL"), an XL Group Company. IRPL thereby became an XL Group company.

Immediately post such sale of IRPL by LFIF, your Company entered into a Shareholder's Agreement ("SHA") and Share Purchase Agreement ("SPA") with IRPL and Mahindra & Mahindra Financial Services Limited ("MMFSL") on 16th October, 2017 pursuant to which MMFSL sold 128,866 equity shares of Mahindra Insurance Brokers Limited to IRPL in accordance with the guidelines stipulated by the Reserve Bank of India, the provisions of the Foreign Exchange Management Act, 1999 and applicable law. Consequent to such sale of 128,866 shares, IRPL now holds 20% of the equity share capital of your company.

7. 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 any 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 March 31, 2018, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

8. 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 March 31, 2018, the Company has eight directors of which one is Managing Director, one Director is a Nominee of the Investor, four are Non-Executive Non-Independent Directors and two are Independent Directors.

Mr. Derek Nazareth was appointed as a Director of the Company with effect from 27th October, 2017, who represents Inclusion Resources Private Limited, Shareholder of the Company.

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. Rajeev Dubey (DIN: 00104817) and Mr. Ramesh Iyer (DIN: 00220759) retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves 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 March 30, 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.

9. KEY MANAGERIAL PERSONNEL

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.

10. BOARD MEETING AND ANNUAL GENERAL MEETING

The Board of Directors met six times in Financial Year 2017-18 viz. April 17, 2017, July 17, 2017, October 16, 2017, January 16, 2018, February 2, 2018 and February 28, 2018. 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 Board of Directors have passed a Circular Resolution on October 27, 2017.

There were three Extra-Ordinary General Meetings held during the year viz. October 16,

2017, October 27, 2017 and January 16, 2018.

The names and categories of the Directors of the Company, their attendance at the Board Meetings held during the Financial Year 2017-18 and at the last Annual General Meeting of the Company held on July 17, 2017 are as follows:

Names of Directors	Category	Attendance at the Board Meetings held during the Financial Year 2017-18		Attendance at the Last Annual General Meeting held on July 17, 2017 (Yes/ No/ N.A.)
		Held	Attended	
Mr. Rajeev Dubey	Non-Executive, Non-Independent	6	6	Yes
Mr. Ramesh Iyer	Non-Executive, Non-Independent	6	5	Yes
Mr. Nityanath Ghanekar	Non-Executive, Independent	6	6	Yes
Mr. V. Ravi	Non-Executive, Non-Independent	6	5	Yes
Ms. Anjali Raina	Non-Executive, Independent	6	6	Yes
Mr. Hemant Sikka	Non-Executive, Non-Independent	6	5	Yes
Dr. Jaideep Devare	Executive, Non-Independent	6	6	Yes
Mr. Derek Nazareth*	Non-Executive, (Investor Director)	3	3	N.A.

* Appointed as a Director with effect from October 27, 2017. Three meetings were held during his tenure.

11. MEETING OF INDEPENDENT DIRECTORS

During the year 2017-18, one meeting of the Independent Directors was held on February 28, 2018. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole.

12. 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

As on March 31, 2018, the Audit Committee comprised of two Independent Directors and one Non-Executive Non-Independent Director.

The Committee is comprised of Mr. Nityanath Ghanekar (Chairman) and Ms. Anjali Raina, both Independent Directors and Mr. V. Ravi, Non-Executive Non-Independent Director.

The Committee met five times during the year on April 17, 2017, July 17, 2017, October 16, 2017, January 16, 2018 and February 28, 2018.

The attendance of the members of the Audit Committee at its meetings held during the Financial Year 2017-18 is given below:

Names of Members	Category	Attendance at the Meetings held during the Financial Year 2017-18	
		Held	Attended
Mr. Nityanath Ghanekar	Non-Executive, Independent	5	5
Ms. Anjali Raina	Non-Executive, Independent	5	5
Mr. V. Ravi	Non-Executive, Non-Independent	5	5

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 30th Annual General Meeting of the Company held on July 17, 2017.

ii) Nomination and Remuneration Committee

As on March 31, 2018, the Nomination and Remuneration Committee comprised of two Independent Directors and two Non-Executive Non-Independent Directors.

The Committee comprises of Mr. Nityanath Ghanekar and Ms. Anjali Raina, Independent Directors and Mr. Rajeev Dubey and Mr. Ramesh Iyer, Non-Executive and Non-Independent Directors of the Company.

The Committee met four times during the year on April 17, 2017, July 17, 2017, August 7, 2017 and January 16, 2018.

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 2017-18 is given below:

Names of Members	Category	Attendance at the Meetings held during the Financial Year 2017-18	
		Held	Attended
Mr. Rajeev Dubey	Non-Executive, Non-Independent	4	4
Mr. Nityanath Ghanekar	Non-Executive, Independent	4	4
Mr. Ramesh Iyer	Non-Executive, Non-Independent	4	4
Ms. Anjali Raina	Non-Executive, Independent	4	4

iii) Corporate Social Responsibility Committee

As on March 31, 2018, the Corporate Social Responsibility Committee comprised of one Independent Director and four Non-Executive Non-Independent Directors. The Corporate Social Responsibility Committee is comprised of Mr. Rajeev Dubey, Mr. Ramesh Iyer, Mr. V. Ravi, Ms. Anjali Raina and Dr. Jaideep Devare.

The Committee met twice during the year on April 17, 2017, and October 16, 2017.

The details of the meetings attended by the Committee Members are as follows:

Names of Members	Category	Attendance at the Meetings held during the Financial Year 2017-18	
		Held	Attended
Mr. Rajeev Dubey (Chairman)	Non-Executive, Non-Independent	2	1
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	Executive, Non-Independent	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 2017-18 is appended as Annexure I to this Report.

13. COMPLIANCE WITH SECRETARIAL STANDARDS

The applicable Secretarial Standards i.e. SS-1 and SS-2 relating to the 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly complied by your company.

14. 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 are 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.

A separate exercise was carried out by the Nomination and Remuneration Committee to evaluate performance of individual Directors. Performance evaluation of Independent Directors was carried out by the entire Board excluding the Director being evaluated. Performance evaluation of Non-Independent Directors and the Board, as a whole, was carried out by Independent Directors. Performance evaluation of the Chairman was carried out by Independent Directors, after taking into account views of Executive and Non-Executive Directors. Directors have expressed satisfaction with the evaluation process.

15. 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.

16. 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 March 31, 2018, 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 March 31, 2018 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 March 31, 2018 on a 'going concern' basis;
- v. They devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

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. 152.79 lakhs 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 March 31, 2018 which forms part of this Report and is appended as **Annexure II**.

19. 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.

20. CODES OF CONDUCT FOR CORPORATE GOVERNANCE

The Board of Directors of the Company had 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.

21. 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.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has made 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.

23. 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. None of the Non-Executive Directors have any pecuniary relationships or transactions vis-à-vis the Company.

The particulars of material related party transactions referred to under section 188(1) of the Companies Act, 2013 are given in the prescribed form AOC -2 as Annexure V and the same forms part of this report.

24. 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 this Report.

25. CHANGE IN THE NATURE OF BUSINESS

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

26. 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, 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 of the Company 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 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;
- ◆ 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.

27. AUDITORS

The Board of Directors at its meeting held on April 14, 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 July 14, 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 maybe applicable.

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, to the Shareholders at the forthcoming Annual General Meeting for a period of one year.

28. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

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

29. 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.

30. HUMAN RESOURCES

Your Company took a number of initiatives to strengthen human resources during the year.

In pursuance of your Company's commitment to develop and retain the best available talent, your Company has been sponsoring the employees for training programmes organized by reputed faculties and professional institutions for building capabilities thereby upgrading the skill, knowledge and expertise 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 work environment for their teams.

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

Your company is the world's first company in the Banking, Financial Services and Insurance (BFSI) sector to achieve People-CMM Level 5 certification by CMMI® Institute, USA. Your company has also participated in the CII HR National Excellence Award (Confederation Of Indian Industry) and has been acknowledged

with 'Strong Commitment To HR Excellence'. The organization's focus on best practices has been driven by the desire and commitment to deliver a best-in-class service experience to your Company's valued customers. Your Company has participated in survey conducted by Great Places to Work For and has been nominated amongst 15 Best Work Place in the BFSI sector in India. Your company has endeavored to develop people capabilities to match and exceed customer expectations since the customers associated with your Company deserve the best.

Your Company strongly believes in maintaining the dignity of all employees. Discrimination and harassment of any type are strictly prohibited. Your Company has taken the necessary steps to abide by all statutory compliances and enhance awareness w.r.t. provisions of the Sexual Harassment 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.

MIBL One-Time Milestone Reward Plan

Your Company at its Nomination & Remuneration Committee ("NRC") meeting held on January 16, 2018 had approved the "MIBL One-Time Milestone Reward Plan" ("Reward Plan").

In the aforesaid plan, all the eligible employees and eligible Directors of the Company, received a bullet payment as a one-time reward for their long term association with the Company and contribution to growth of the Company.

31. SUBSIDIARIES

The Company does not have any subsidiary as at March 31, 2018 or during the Financial Year ended on that date.

32. 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**.

33. 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.

34. 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.

35. 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.

36. 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

Mumbai, April 18, 2018
Registered Office:
Mahindra Towers,
P. K. Kurne Chowk, Worli,
Mumbai – 400 018
CIN: U65990MH1987PLCO42609
Tel: +91 22 6642 3800
Fax: +91 22 2491 5894
E-mail: insurance.care@mahindra.com
Website: www.mahindrainsurance.com

Rajeev Dubey
Chairman

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

Annual CSR Report

1) 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

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.

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 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.

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.

Thrust areas:

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.

b) Health

Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

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.

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.

CSR activities of the Company are carried through:

- ◆ 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.

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>

2) Composition of the CSR Committee	<ol style="list-style-type: none"> 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.6,808.23 lakhs
4) Prescribed CSR expenditure (2% of this amount as in item 3 above)	Rs.136.16 lakhs
5) Details of CSR spent for the Financial Year: 2017-18	
a) total amount spent for the Financial Year	Rs. 136.75lakhs
b) Amount unspent, if any;	Nil
c) Manner in which the amount spent during the Financial Year is detailed below	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.
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.	

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

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 were 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 the Reporting period	Amount spent direct or through implementing agency
1	Education and Employment enhancing vocational skills	Education	Maharashtra	77.66	77.66	77.66	KC Mahindra Education Trust (Nanhi Kali)
2	Dormitories for adults	Gender Equality /Old age & Day care homes	Maharashtra	3.60	3.60	3.60	Association Of Parents Of Mentally Retarded Child
3	Sponsorship of Samaj Shakti Award	Education	Maharashtra	2.00	2.00	2.00	Shree Hariharaputra Bhajan Samaj
4	Salaries of Gynecologist & Pediatrician	Health	Maharashtra	30.00	30.00	30.00	Creative Group Shree Mahagenpati Hospital
5	Financial literacy for business school student	Education	Maharashtra	11.38	11.38	11.38	Mann Deshi Foundation
6	Driver training to women	Gender Equality	Delhi	20.01	20.01	20.01	Azad Foundation
7	Blind Folding Sticks & talking watches	Education	Maharashtra	0.24	0.24	0.24	National Society For The Blind
8	TACTABET to blind child	Education	Maharashtra	0.70	0.70	0.70	Snehankit Helpline
9	Education of Orphans girls & provision of Medical facilities to old women	Gender Equality/Old age & Day care homes	Maharashtra	3.00	3.00	3.00	The Hindu Womens Welfare Society
10	TACTABET to blind child	Education	Maharashtra	0.70	0.70	0.70	The Victoria Memorial School
11	Setting old age homes/day care centers and similar facilities for senior citizens	Gender Equality/Old age & Day care homes	Maharashtra	1.50	1.50	1.50	Women & Child Care Society
12	Economic Assistance to Needy Children	Education	Maharashtra	1.00	1.00	1.00	Gowd Saraswat Brahman Seva Mandal
14	Medical Expenses of Heart Surgery	Health	Maharashtra	1.00	1.00	1.00	Care Child And Old Age Foundation
Total				152.79	152.79	152.79	

For Mahindra Insurance Brokers Limited

Dr. Jaideep Devare
Managing Director

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

Rajeev Dubey
Chairman – CSR Committee of Mahindra Insurance Brokers Limited

Mumbai, April 18, 2018

ANNEXURE II TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as on The Financial Year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN	U65990MH1987PLC042609
ii. Registration Date	18/02/1987
iii. Name of the Company	Mahindra Insurance Brokers Limited
iv. Category / Sub-Category of the Company	Public Limited Company by Shares
v. Address of the Registered office and contact details	Mahindra Towers, 4th Floor, P. K. Kurne Chowk, Worli, Mumbai - 400018. Tel: +91 22 66423800; Fax: +91 22 24915894; E-mail: insurance.care@mahindra.com Website: www.mahindrainsurance.com
vi. Whether listed company Yes / No	No
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	—

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Insurance Broking	67200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai – 400 001.	L65990MH1945PLC004558	Ultimate Holding Company	80.00%*	Section 2(46)
2.	Mahindra & Mahindra Financial Services Limited Mahindra Towers, P K Kurne Chowk, Worli, Mumbai – 400 018.	L65921MH1991PLC059642	Holding Company	80.00%	Section 2(46)

* There is no direct shareholding in the Company by Mahindra & Mahindra Limited, the Ultimate Holding Company. Shares are held through Mahindra & Mahindra Financial Services Limited, subsidiary of Mahindra & Mahindra Limited.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding

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	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	21,90,692	30	21,90,722	85.00	20,61,826	30	20,61,856	80.00	5%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	21,90,692	30	21,90,722	85.00	20,61,826	30	20,61,856	80.00	5%
(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	20,61,826	30	20,61,856	80.00	5%
B. PUBLIC SHARE-HOLDING									
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	-	3,86,598	15.00	5,15,464	-	5,15,464	20.00	5%
Sub-total (B)(1):-	3,86,598	-	3,86,598	15.00	5,15,464	-	5,15,464	20.00	5%
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	-	3,86,598	15.00	5,15,464	-	5,15,464	20.00	5%
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	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Nil	20,61,826	80.00	Nil	5%
2.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Ramesh Iyer	5	-	Nil	5	-	Nil	-
3.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Rajeev Dubey	5	-	Nil	5	-	Nil	-
4.	Mahindra & Mahindra Financial Services Limited Jointly with Dr. Jaideep Devare	5	-	Nil	5	-	Nil	-
5.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. S. Durgashankar	5	-	Nil	5	-	Nil	-
6.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Venkatraman Ravi	5	-	Nil	5	-	Nil	-
7.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Rajesh Vasudevan	5	-	Nil	5	-	Nil	-
Total		21,90,722	85.00	NIL	20,61,856	80.00	NIL	5%

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	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 at April 1, 2017)	21,90,722	85.00			
	Decrease- Transfer (October 27, 2017)			-128866	20,61,856	80.00
	At the end of the year (As at March 31, 2018)				20,61,856	80.00

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/ Decrease in No. of shares	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 at April 1, 2017)	3,86,598	15.00			
	Increase- Transfer (October 27, 2017)			+128866	5,15,464	20.00
	At the end of the year (As at March 31, 2018)				5,15,464	20.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during themYear	
		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 at April 1, 2017)	5	-	5	-
	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 at March 31, 2018)	5	-	5	-
2	Mr. V. Ravi (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As at April 1, 2017)	5	-	5	-
	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 at March 31, 2018)	5	-	5	-
3	Mr. Rajeev Dubey (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As at April 1, 2017)	5	-	5	-
	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 at March 31, 2018)	5	-	5	-
4	Dr. Jaideep Devare (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As at April 1, 2017)	5	-	5	-
	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 at March 31, 2018)	5	-	5	-
5	Mr. Hemant Sikka				
	At the beginning of the year (As at April 1, 2017)	Nil	-	Nil	-
	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 at March 31, 2018)	Nil	-	Nil	-

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during themYear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Mr. Nityanath Ghanekar				
	At the beginning of the year (As at April 1, 2017)	Nil	-	Nil	-
	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 at March 31, 2018)	Nil	-	Nil	-
7	Ms. Anjali Raina				
	At the beginning of the year (As at April 1, 2017)	Nil	-	Nil	-
	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 at March 31, 2018)	Nil	-	Nil	-
8	Mr. Derek Nazareth				
	At the beginning of the year (As at April 1, 2017)	Nil	-	Nil	-
	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 at March 31, 2018)	Nil	-	Nil	-
9.	Ms. Rupa Joshi - Company Secretary				
	At the beginning of the year (As at April 1, 2017)	Nil	-	Nil	-
	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 at March 31, 2018)	Nil	-	Nil	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

	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 Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD			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	378.46*	-	-	378.46
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961@	38.60	-	-	38.60
	(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 (A)	417.06			417.06
	Ceiling as per the Act	5% of the Net Profits equivalent to Rs. 438.93 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 for 8336 Equity Shares of Rs. 2 each exercised during the Financial Year 2017-18.

* Includes a one-time payment of Rs. 2,49,83,262 under MIBL One-Time Milestone Reward Plan.

B. Remuneration to other directors:

(Rs. in Lakhs)

Particulars of Remuneration							Total Amount
1. Independent Directors	Mr. Nityanath Ghanekar	Ms. Anjali Raina					
Fee for attending board / committee meetings	4.00	3.60					7.60
Commission	6.00	6.00					12.00
Others	0	0					0
Total (1)	10.00	9.60	0.00	0.00	0.00	0.00	19.60
2. Other Non-Executive Directors			Mr. Rajeev Dubey	Mr. Ramesh Iyer	Mr. V. Ravi	Mr. Hemant Sikka	
♦ Fee for attending board / committee meetings			0	0	0	0	0
♦ Commission			19.15	76.56	19.15	19.15	134.01
♦ Others			0	0	0	0	0
Total (2)	0.00	0.00	19.15	76.56	19.15	19.15	134.01
Total (B)=(1+2)	10.00	9.60	19.15	76.56	19.15	19.15	153.61
Total Managerial Remuneration (A+B)							570.67
Overall Ceiling as per the Act	11% of the Net profits together with the Managing Director equivalent to Rs. 965.65 Lakhs with respect to the ceiling for the Company applicable for the Financial Year covered by this Report.						

NOTE: Mr. Derek Nazareth was appointed as a Non - Executive Director (Investor Director) w.e.f. October 27, 2017 and he did not receive fees for attending Board Meetings and Commission.

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

(Rs. in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary@ Ms. Rupa Joshi	CFO	Total
1.	Gross salary	-	7.04	-	7.04
	(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		-	7.04	-	7.04

@ Secretarial function covered under cost sharing arrangement.

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			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board

Mumbai, April 18, 2018

Rajeev Dubey
Chairman

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 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 KMP'S 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 Result 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

Mumbai, April 18, 2018

Rajeev Dubey
Chairman

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 : None
b) the year of import; : Not applicable
c) whether the technology been fully absorbed; : Not applicable
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; : Not applicable
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, April 18, 2018

ANNEXURE V TO THE DIRECTORS REPORT

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis- Nil
2. Details of Material contracts or arrangements or transactions at Arm's length basis:

Sr. No.	Name (s) of the related party	Nature of relationship	Nature of Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Amount	Date of approval by the Board
1	Mahindra & Mahindra Financial Services Limited (MMFSL)	Holding Company	Income-Handling charges	Handling charges towards insurance related services provided to MMFSL on the vehicles financed and hypothecated in favour of MMFSL	26,29,97,350	-

For and on behalf of the Board

Mumbai, April 18, 2018

Rajeev Dubey
Chairman

Independent Auditor's Report

To the Members of
Mahindra Insurance Brokers Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

1. We have audited the accompanying standalone Ind AS financial statements of Mahindra Insurance Brokers Limited ("the Company"), which comprise the balance sheet as at March 31, 2018, and the statements of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements")

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (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 standalone Ind AS 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 standalone Ind AS 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 and the Order issued under Section 143(11) of the Act.
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 standalone Ind AS 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profits, total comprehensive income, its cash flows and the changes in equity for the year then 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, statement of Cash Flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended);
- e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 : 18 April 2018 Membership Number: 030168

Annexure to the Auditor's Report

Referred to in paragraph 9 of our report of even date on the standalone Ind AS financial statements of **Mahindra Insurance Brokers Limited** for the year ended March 31, 2018

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 explanation given to us, no immovable property is held by the Company in its own name.
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.

(i) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service 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, Goods and Service 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.
7. 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.
8. 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.

9. 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, we have neither come across any instance of fraud by the Company or no material fraud 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.
10. 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.
11. 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.
12. The Company has entered into transactions with related parties in compliance with the provisions of Sections 187 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS 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.

13. 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.
14. 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.
15. 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 : 18 April 2018

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, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that 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, 2018, 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 : 18 April 2018

Membership Number: 030168

Balance Sheet

as at 31 March 2018

(Rs. in Lakhs)

	Note No.	As at 31 March 2018	As at 31 March 2017
I ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	1	503.76	403.14
(b) Other Intangible Assets	2	124.01	23.54
(c) Intangible Assets Under Development		45.60	58.21
(d) Financial Assets			
(i) Investments	3	1,550.00	3,625.00
(ii) Loans	4	1.01	1.06
(iii) Other Financial Assets	5	371.45	1,046.66
(e) Deferred Tax Assets (net)	6	326.18	113.75
(f) Other Non-current Assets	7	178.84	73.19
Total Non-Current Assets		3,100.85	5,344.55
2 Current Assets			
(a) Financial Assets			
(i) Investments	3	5,725.00	8,315.00
(ii) Trade Receivables	8	6,585.23	2,669.28
(iii) Cash and Cash Equivalents	9	1,095.10	374.06
(iv) Loans	4	21,757.93	10,870.51
(v) Other Financial Assets	5	1,193.87	1,465.84
(b) Other Current Assets	7	217.94	26.52
Total Current Assets		36,575.07	23,721.21
Total Assets		39,675.92	29,065.76
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	10	257.73	257.73
(b) Other Equity	11	31,293.41	26,619.58
Total Equity		31,551.14	26,877.31
Liabilities			
1 Non-Current Liabilities			
(a) Provisions	12	520.63	184.77
Total Non-Current Liabilities		520.63	184.77
2 Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	13	4,596.78	660.79
(ii) Other Financial Liabilities	14	20.55	34.36
(b) Provisions	12	1,911.18	1,142.30
(c) Other Current Liabilities	15	1,075.64	166.23
Total Current Liabilities		7,604.15	2,003.68
Total Equity and Liabilities		39,675.92	29,065.76

The accompanying statement of accounting policies and notes 1 to 30 are an integral part of the Financial Statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

Rajeev Dubey
Chairman

Ramesh Iyer
Director

V Ravi
Director

Hemant Sikka
Director

H.P. Mahajani
Partner
Membership No. 30168

Nityanath Ghanekar
Director

Anjali Raina
Director

Derek Nazareth
Director

Dr Jaideep Devare
Managing Director

Rupa Joshi
Company Secretary

Place : Mumbai
Date : April 18, 2018

Statement of Profit and Loss

For The Year Ended March 31, 2018

		(Rs. in Lakhs)	
Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
I Revenue from operations	16	22,244.98	15,363.24
II Other Income	17	2,268.41	2,060.23
III Total Revenue (I + II)		24,513.39	17,423.47
IV Expenses			
(a) Employee benefit expenses	18	9,316.17	6,262.09
(b) Depreciation and amortisation expenses	1, 2	234.16	189.82
(c) Other expenses	19	6,645.82	2,735.74
Total Expenses [(a) + (b) + (c)]		16,196.15	9,187.65
V Profit/(loss) before tax (III - IV)		8,317.24	8,235.82
VI Tax Expense			
(1) Current tax	6	3,123.00	2,905.00
(2) Deferred tax	6	(154.01)	(15.36)
(3) Excess provisions of earlier years written back	6	(10.60)	-
Total tax expense [(1) + (2) + (3)]		2,958.39	2,889.64
VII Profit/(loss) for the period (V - VI)		5,358.85	5,346.18
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
(a) Remeasurements of the defined benefit liabilities / (asset)		(200.61)	(63.25)
B Income tax relating to items that will not be reclassified to profit or loss		58.42	21.89
IX Total comprehensive income for the period (VII + VIII)		5,216.66	5,304.82
X Earnings per equity share :			
(1) Basic	20	202.41	205.83
(2) Diluted	20	202.41	205.83

The accompanying statement of accounting policies and notes 1 to 30 are an integral part of the Financial Statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

Rajeev Dubey Chairman
Ramesh Iyer Director

V Ravi Director
Hemant Sikka Director

H.P. Mahajani
Partner
Membership No. 30168

Nityanath Ghanekar Director
Anjali Raina Director

Derek Nazareth Director
Dr Jaideep Devare Managing Director

Rupa Joshi
Company Secretary

Place : Mumbai
Date : April 18, 2018

Statement of Cash flows

for the year ended 31 March 2018

Particulars	Note No.	(Rs. in Lakhs)	
		Year ended 31 March 2018	Year ended 31 March 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year	PL	8,317.24	8,235.82
Adjustments for:			
Investment income recognised in profit or loss		(2,246.40)	(2,060.23)
Gain on disposal of property, plant and equipment	19	(0.48)	4.23
Impairment loss recognised on trade receivables	8	(15.09)	4.57
Depreciation and amortisation of non-current assets	1 & 2	234.16	189.82
		6,289.43	6,374.21
Movements in working capital:			
Increase in trade and other receivables		(3,900.86)	(461.09)
(Increase)/decrease in other assets		(421.21)	(168.75)
Decrease in trade and other payables		3,956.54	109.99
Increase/(decrease) in provisions		287.50	255.92
(Decrease)/increase in other liabilities		875.06	52.94
		797.03	(210.99)
Cash generated from operations		7,086.46	6,163.22
Income taxes paid		(2,404.23)	(3,106.19)
Net cash generated by operating activities		4,682.23	3,057.03
Cash flows from investing activities			
Interest received	5	3,188.81	1,625.56
Amounts advanced to related parties		(24,195.00)	(5,425.00)
Repayments by related parties		18,010.00	1,450.00
Payments for property, plant and equipment		(318.30)	(155.55)
Proceeds from disposal of property, plant and equipment	1	12.72	13.84
Payments for intangible assets under development		(116.59)	(29.64)
Net cash (used in)/generated by investing activities		(3,418.36)	(2,520.79)
Cash flows from financing activities			
Dividends paid to owners of the Company		(542.83)	(465.30)
Net cash used in financing activities		(542.83)	(465.30)
Net increase in cash and cash equivalents		721.04	70.94
Cash and cash equivalents at the beginning of the year		374.06	303.12
Effects of exchange rate changes on the balance of cash held in foreign currencies			
Cash and cash equivalents at the end of the year		1,095.10	374.06

Note:

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

The accompanying statement of accounting policies and notes 1 to 30 are an integral part of the Financial Statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

Rajeev Dubey
Chairman

Ramesh Iyer
Director

V Ravi
Director

Hemant Sikka
Director

H.P. Mahajani
Partner
Membership No. 30168

Nityanath Ghaneekar
Director

Anjali Raina
Director

Derek Nazareth
Director

Dr Jaideep Devare
Managing Director

Rupa Joshi
Company Secretary

Place : Mumbai
Date : April 18, 2018

Statement of Changes in Equity

for the year ended 31st March, 2018.

A. EQUITY SHARE CAPITAL

	(Rs. in Lakhs)
As at 1 April 2017	257.73
Changes in equity share capital during the year	-
As at 31 March 2017	257.73
Changes in equity share capital during the year	-
As at 31 March 2018	257.73

B. OTHER EQUITY

	Reserves and Surplus			Items of other comprehensive income	Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurement loss (net) on defined benefit plans	
As at 1 April 2016	1,589.50	1,658.43	18,496.47	35.66	21,780.06
Profit / (Loss) for the period			5,346.18		5,346.18
Other Comprehensive Income / (Loss)				(41.36)	(41.36)
Total Comprehensive Income for the year	-	-	5,346.18	(41.36)	5,304.82
Dividend paid on Equity Shares			(386.60)		(386.60)
Dividend Distribution Tax			(78.70)		(78.70)
Transfers to Reserves			-		-
Transfers from retained earnings			-		-
As at 31 March 2017	1,589.50	1,658.43	23,377.35	(5.70)	26,619.58
Profit / (Loss) for the period			5,358.85		5,358.85
Other Comprehensive Income / (Loss)				(142.19)	(142.19)
Total Comprehensive Income for the year	-	-	5,358.85	(142.19)	5,216.66
Dividend paid on Equity Shares			(451.02)		(451.02)
Dividend Distribution Tax			(91.81)		(91.81)
As at 31 March 2018	1,589.50	1,658.43	28,193.37	(147.89)	31,293.41

The accompanying statement of accounting policies and notes 1 to 30 are an integral part of the Financial Statements.

In terms of our report attached.

For and on behalf of the Board of Directors

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

Rajeev Dubey
Chairman

Ramesh Iyer
Director

V Ravi
Director

Hemant Sikka
Director

H.P. Mahajani
Partner
Membership No. 30168

Nityanath Ghanekar
Director

Anjali Raina
Director

Derek Nazareth
Director

Dr Jaideep Devare
Managing Director

Rupa Joshi
Company Secretary

Place : Mumbai
Date : April 18, 2018

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

1 COMPANY OVERVIEW

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

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

2 BASIS OF PREPARATION

a. Statement of compliance and basis of preparation

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

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

The financial statements of the Company for the year ended March 31, 2018 were authorised for issue by the Company's Board of Directors on April 18, 2018.

b. Functional and presentation currency

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

c. Basis of measurement

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

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

d. Measurement of fair values

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

e. Use of judgements and estimates

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Assumptions and estimation uncertainties

Following are areas that involved a higher degree of judgement or complexity in determining the carrying amount of some assets and liabilities. Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment in the year ending March 31, 2018 is included in relevant notes.

- Estimation of current tax expense and payable
- Estimated useful life of property, plant and equipments
- Estimated useful life of intangible assets
- Estimation of defined benefit obligation
- Impairment of trade receivables
- Recognition of revenue under percentage completion method

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

3 SIGNIFICANT ACCOUNTING POLICIES

a. Property, plant and equipment :

Recognition and measurement

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

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

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

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

Subsequent costs

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

Depreciation

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

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

Class of asset	Year ended 31 March 2018	Year ended 31 March 2017
Plant and equipment (including Computers)	2-6 years	2-6 years
Office equipments	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicles	4 years	4 years

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

b. Intangible Assets :

Intangible Assets are initially recognised at cost

Amortisation

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less accumulated amortisation and accumulated

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

impairment, if any. Amortisation of intangible assets with finite useful lives is calculated on cost of intangible assets less their estimated residual values over their estimated useful lives using straight-line method and is generally recognised in the statement of profit or loss.

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

Class of asset	Year ended 31 March 2018	Year ended 31 March 2017
Computer software	3 years	3 years

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

Intangible assets under development

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

Derecognition of intangible assets

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

c. Impairment of assets other than financial assets :

Impairment of tangible and intangible assets other than goodwill

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset

belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

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

d. Foreign currency :

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

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

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

e. Financial instruments :

Recognition and initial measurement

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

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

Classification and subsequent measurement Financial assets

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

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

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

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

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

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

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

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

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Effective interest method

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

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

Investments in equity instruments at FVTOCI

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

A financial asset is held for trading if:

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

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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note above). Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably

Financial assets: Subsequent measurement and gains and losses

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

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

Equity investment at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

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

Financial liabilities and equity instruments:

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. The dividends on mandatorily redeemable preference shares are recognised in profit or loss as interest expense. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign

exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compound financial instruments

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

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

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

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

Offsetting

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company

determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Impairment of financial instruments

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

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

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

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

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

When determining whether credit risk of a financial asset has increased significantly since

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

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

f. Revenue Recognition :

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

Rendering of services

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

Dividend and interest income

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

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

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

g. Employee benefits:

Superannuation Fund, ESIC and Labour Welfare Fund

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

Provident Fund

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

Gratuity

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

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

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

Defined contribution plans

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

Compensated Absences

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

h. Taxation :

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

Current tax

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

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

Deferred tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax for the year

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

i. Provisions :

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

j. Leasing :

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

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

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

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

k. Segment Reporting

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

l. Earnings per share

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

Significant Accounting Policies and Notes

as at 31st March, 2018

NOTE NO. 1 - PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

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

(Rs. in Lakhs)

Description of Assets	Plant and Equipment (including computers)	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount					
Balance as at 1 April 2016	392.38	59.95	40.66	334.52	827.51
Additions during the year	12.12	10.29	22.15	85.34	129.90
Disposals during the year	1.56	-	-	42.06	43.62
Balance as at 31 Mar 2017	402.94	70.24	62.81	377.80	913.79
II. Accumulated depreciation and impairment					
Balance as at 1 April 2016	173.97	27.59	11.26	135.67	348.49
Depreciation expense for the year	85.46	11.59	5.26	85.40	187.71
Eliminated on disposal of assets	0.87	-	-	24.68	25.55
Balance as at 31 March 2017	258.56	39.18	16.52	196.39	510.65
III. Net carrying amount (I-II)	144.38	31.06	46.29	181.41	403.14

NOTE NO. 2 - OTHER INTANGIBLE ASSETS

(Rs. in Lakhs)

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

Significant Accounting Policies and Notes

as at 31st March, 2018

Description of Assets	(Rs. in Lakhs)	
	Computer Software	Total
Intangible Assets		
I. Gross Carrying Amount		
Balance as at 1 April 2016	-	-
Additions during the year	25.65	25.65
Balance as at 31 March 2017	25.65	25.65
II. Accumulated depreciation and impairment		
Balance as at 1 April 2016	-	-
Amortisation expenses for the year	2.11	2.11
Balance as at 31 March 2017	2.11	2.11
III. Net carrying amount (I-II)	23.54	23.54

NOTE NO. 3 - INVESTMENTS

Particulars	(Rs. in Lakhs)			
	As at 31 March 2018		As at 31 March 2017	
	Amounts	Amounts	Amounts	Amounts
	Current	Non Current	Current	Non Current
Investment carried at Amortised Cost				
Investment in Fixed Deposits with Mahindra & Mahindra Financial Services Limited	5,725.00	1,550.00	8,315.00	3,625.00
Total Investments Carried at Amortised Cost	5,725.00	1,550.00	8,315.00	3,625.00
Total Investments	5,725.00	1,550.00	8,315.00	3,625.00

NOTE NO. 4 - LOANS

Particulars	(Rs. in Lakhs)			
	As at 31 March 2018		As at 31 March 2017	
	Current	Non- Current	Current	Non- Current
a) Loans to related parties (Refer Note Below)				
- Unsecured, considered good	21,400.00	-	10,550.00	-
Total (A)	21,400.00	-	10,550.00	-
b) Other Loans				
- Unsecured, considered good	357.93	1.01	320.51	1.06
Total (B)	357.93	1.01	320.51	1.06
Total Loans	21,757.93	1.01	10,870.51	1.06

Note 1: The above loans comprising Inter-corporate Deposits have been given for general business purpose of the recipient.

NOTE NO. 5 - OTHER FINANCIAL ASSETS

Particulars	(Rs. in Lakhs)			
	As at 31 March 2018		As at 31 March 2017	
	Current	Non- Current	Current	Non- Current
Financial assets at amortised cost				
Interest Accrued but not due	1,193.87	219.58	1,465.84	890.05
Security Deposits	-	91.87	-	96.61
Bank Deposit with more than 12 months maturity*	-	60.00	-	60.00
Total	1,193.87	371.45	1,465.84	1,046.66

*The Bank Deposit with more than 12 months maturity is under lien to the IRDAI as per the IRDAI (Insurance Brokers) Regulations 2013

Significant Accounting Policies and Notes

as at 31st March, 2018

NOTE NO. 6 - CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Current Tax:		
In respect of current year	3,123.00	2,905.00
In respect of prior years	(10.60)	-
	3,112.40	2,905.00
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	(154.01)	(15.36)
	(154.01)	(15.36)
Total income tax expense on continuing operations	2,958.39	2,889.64

(b) Income tax recognised in other Comprehensive income

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Current Tax		
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(58.42)	(21.89)
Total	(58.42)	(21.89)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	(58.42)	(21.89)
Income taxes related to items that will be reclassified to profit or loss		
Total	(58.42)	(21.89)

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

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax from continuing operations	8,317.24	8,235.82
Income tax expense calculated at 34.608% (2017: 34.608%)	2,878.43	2,850.25
Effect of expenses that is non-deductible in determining taxable profit	345.56	173.46
Effect of tax incentives and concessions (research and development and other allowances)	(100.99)	(118.71)
	3,123.00	2,905.00
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax expense recognised In profit or loss from continuing operations	3,123.00	2,905.00

There is no change in the tax rate from that in the previous year

Significant Accounting Policies and Notes

as at 31st March, 2018

(d) Movement in deferred tax balances

(Rs. in Lakhs)

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

(Rs. in Lakhs)

Particulars	For the Year ended 31 March 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
	-	-	-	-
Tax effect of items constituting deferred tax assets				
Employee Benefits	49.79	4.18	21.89	75.86
Property, Plant and Equipment	13.21	9.60	-	22.81
Provisions	13.50	1.58	-	15.08
	76.50	15.36	21.89	113.75
Net Tax Asset (Liabilities)	76.50	15.36	21.89	113.75

NOTE NO. 7 - OTHER ASSETS

(Rs. in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non-Current	Current	Non-Current
(a) Advances other than capital advances				
(i) Earnest Money Deposit	0.10	-	0.10	-
(ii) Other assets	217.84	-	26.42	-
(iii) Gratuity Plan Assets	-	-	-	3.45
	217.94	-	26.52	3.45
(b) Advance payment of tax (net of provisions)	-	178.84	-	69.74
Total Other Assets	217.94	178.84	26.52	73.19

Significant Accounting Policies and Notes

as at 31st March, 2018

NOTE NO. 8 - TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non-Current	Current	Non-Current
Trade receivables				
(a) Unsecured, considered good	6,585.23	-	2,669.28	-
(b) Doubtful	28.50	-	43.59	-
Less: Allowance for Credit Losses	28.50	-	43.59	-
Total	6,585.23	-	2,669.28	-
Of the above, trade receivables from:				
- Related Parties	1,740.66	-	1,084.68	-
- Others	4,844.57	-	1,584.60	-
Total	6,585.23	-	2,669.28	-

Refer Note 21 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

NOTE NO. 9 - CASH AND BANK BALANCES

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Balances with banks	1,093.04	372.07
(b) Cash on hand	2.06	1.99
Total Cash and cash equivalent	1,095.10	374.06

NOTE NO. 10 - EQUITY SHARE CAPITAL

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	35,00,000	350.00	35,00,000	350.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	25,77,320	257.73	25,77,320	257.73
Total	25,77,320	257.73	25,77,320	257.73

Significant Accounting Policies and Notes

as at 31st March, 2018

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

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes (give details)	Closing Balance
(a) Equity Shares with Voting rights*						
Period Ended 31 March 2018						
No. of Shares	25,77,320	-	-	-	-	25,77,320
Amount	257.73	-	-	-	-	257.73
Period Ended 31 March 2017						
No. of Shares	25,77,320	-	-	-	-	25,77,320
Amount	257.73	-	-	-	-	257.73

Rights, preferences and restrictions attached to equity shares

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

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

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 Mar 2018			
Mahindra and Mahindra Financial Services Limited, the Holding Company	20,61,856	-	-
As at 31 Mar 2017			
Mahindra and Mahindra Financial Services Limited, the Holding Company	21,90,722	-	-

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

Class of Shares/Name of Shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Financial Services Limited	20,61,856	80%	21,90,722	85%
Inclusion Resource Pte Limited	5,15,464	20%	3,86,598	15%

Significant Accounting Policies and Notes

as at 31st March, 2018

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

Particulars	Aggregate number of shares	
	As at 31 March 2018	As at 31 March 2017
Equity shares with voting rights		
a. Fully paid up pursuant to contract(s) without payment being received in cash	-	-
b. Fully paid up by way of bonus shares	-	-
c. Shares bought back	-	-

- (v) **Issue/ Transfer of shares**

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

Sr No.	Pricing Methodology adopted	Company Valuation (In Lakhs)	Value per share
A	Fair Market Value as per Discounted Cash Flow Method	1,04,168	4,042
B	Fair Market Value as per Precedent Transaction/ Transaction Multiples Method	1,52,081	5,901
C=(A+b)/2	Fair Market Value Per Share	1,28,125	4,972

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

NOTE NO. 11 - OTHER EQUITY

Description of the Nature and Purpose of Other Equity

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

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

For movement in Other Equity, please refer the "Statement of Changes in Equity for the year ended 31 March 2018"

Details of dividend paid/proposed

Particulars	(Rs. in Lakhs)	
	31-Mar-18	31-Mar-17
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 Mar 2017: Rs 17.5 per share (31 March 2016: Rs 15 per share)	451.03	386.60
Dividend Distribution Tax on final dividend	91.82	78.70
Interim dividend for the year ended on 31 March 2017: Rs 0 per share (31 March 2016 : Rs 0 per share)	-	-
	542.85	465.30
Proposed dividends on Equity shares		
Final dividend for the year ended on 31 March 2018: Rs.18.00 per share (31 March 2017: Rs. 17.50 per share)	463.92	451.03
Dividend Distribution Tax on proposed dividend	95.36	91.82
	559.28	542.85

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

Significant Accounting Policies and Notes

as at 31 March 2018 / for the year ended 31 March 2018

NOTE NO. 12 - PROVISIONS

(Rs. in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non- Current	Current	Non- Current
(a) Provision for employee benefits	1,037.02	520.63	1,085.38	184.77
(b) Other Provisions				
- Provision for tax (net of advance tax paid)	874.16	-	56.92	-
Total Provisions	1,911.18	520.63	1,142.30	184.77

NOTE NO. 13 - TRADE PAYABLES

(Rs. in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non- Current	Current	Non- Current
Trade payable - Micro and small enterprises	-	-	-	-
Trade payable - Other than micro and small enterprises	4,596.78	-	660.79	-
Total trade payables	4,596.78	-	660.79	-

NOTE NO. 14 - OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at	As at
	31 Mar 2018	31 Mar 2017
Other Financial Liabilities Measured at Amortised Cost		
(i) Other liabilities		
(1) Others	20.55	34.36
(2) Creditors for capital supplies/services	-	-
Total other financial liabilities	20.55	34.36

NOTE NO. 15 - OTHER LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non- Current	Current	Non- Current
Statutory dues				
- taxes payable (other than income taxes)	736.68	-	63.25	-
- Employee Recoveries and Employer Contributions	338.96	-	102.98	-
Total Other Liabilities	1,075.64	-	166.23	-

NOTE NO. 16 - REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31 March 2018	31 March 2017
Revenue from rendering of services		
(a) Brokerage	13,799.49	7,666.08
(b) Broker retainer fees	5,704.46	5,065.52
(c) Handling charges	2,730.07	2,629.97
(d) Consultancy fees	10.96	1.67
Total Revenue from Operations	22,244.98	15,363.24

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

NOTE NO. 17 - OTHER INCOME

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
(a) Interest Income		
- On Financial Assets at Amortised Cost	2,251.44	2,060.23
(b) Provision for debtors written back	15.09	-
(c) Excess provisions of earlier years written back (wealth tax and fringe benefit tax)	1.40	-
(d) Profit on sale of property, plant & equipments	0.48	-
Total Other Income	2,268.41	2,060.23

NOTE NO. 18 - EMPLOYEE BENEFITS EXPENSES

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
(a) Salaries and wages, including bonus **	8,617.82	5,669.36
(b) Contribution to provident and other funds	340.23	263.15
(c) Gratuity Expenses	75.61	49.77
(d) Share based payment transactions expenses		
(1) Cash-settled share-based payments	99.07	118.58
(e) Staff welfare expenses	183.44	161.23
Total Employee Benefit Expenses	9,316.17	6,262.09

** Includes one time reward of Rs. 2,139.37 lakhs given to employees.

Cash-settled share-based payments

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

NOTE NO. 19 - OTHER EXPENSES

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
(a) Distribution Fees*	3,352.15	-
(b) Power & Fuel	49.66	56.02
(c) Rent including lease rentals	406.57	334.68
(d) Rates and taxes	17.42	6.92
(e) Insurance	251.75	220.23
(f) Postage, Telephone and Communication	197.10	195.10
(g) Software Charges	3.85	6.63
(h) Repairs and maintenance - Others	22.31	22.41
(i) Administration Support Charges	165.62	149.08
(j) Manpower Contracting Charges	232.97	197.56
(k) Advertisement	-	0.45
(l) Miscellaneous expenses	720.40	622.90
(m) Sales promotion expenses	92.18	82.86
(n) Travelling and Conveyance Expenses	542.51	559.89
(o) Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013.	152.79	136.75

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Particulars	(Rs. in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
(p) Doubtful trade and other receivables, loans written off	105.78	4.57
(q) Auditors remuneration and out-of-pocket expenses	15.06	11.91
(i) As Auditors	7.50	7.54
(ii) For Taxation matters	2.50	2.51
(iii) For Other services	4.85	1.56
(iv) For reimbursement of expenses	0.21	0.30
(r) Directors' Commission#	146.01	10.00
(s) Directors' Sitting Fees	7.74	6.81
(t) Legal and other professional costs	163.95	106.74
(u) Loss on sale of property, plant and equipments	-	4.23
Total Other Expenses	6,645.82	2,735.74

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

Directors' Commission includes one time reward of Rs.134.01 lakhs given to directors.

NOTE NO. 20 - EARNINGS PER SHARE

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	₹ Per Share	₹ Per Share
Basic earnings per share	202.41	205.83
Diluted earnings per share	202.41	205.83

Basic earnings per share

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

Particulars	(Rs. in Lakhs)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit / (loss) for the year attributable to owners of the Company	5,216.66	5,304.82
Less: Preference dividend and tax thereon	-	-
Profits used in the calculation of basic earnings per share	5,216.66	5,304.82
Weighted average number of equity shares (nos)	25,77,320	25,77,320
Earnings per share - Basic (₹)	202.41	205.83

Diluted earnings per share

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Particulars	(Rs. in Lakhs)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit / (loss) for the year attributable to owners of the Company	5,216.66	5,304.82
Add: Adjustments if any	-	-
Profits/(Loss) for the year used in the calculation of diluted earning per share	5,216.66	5,304.82
Profit used in the calculation of diluted earning per share	5,216.66	5,304.82

Particulars	(Rs. in Lakhs)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Weighted average number of equity shares used in the calculation of Basic EPS	25,77,320	25,77,320
Add: Effect of Warrants, if any	-	-
ESOPs, if any	-	-
Convertible bonds, if any	-	-
Others if any	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	25,77,320	25,77,320

NOTE NO. 21 - FINANCIAL INSTRUMENTS

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position. The Company is subject to minimum capital requirements as stipulated by the IRDAI (Insurance Brokers) Regulations, 2013.

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

	(Rs. in Lakhs)	
	31-Mar-18	31-Mar-17
Equity	31,551.14	26,877.31
Less: Cash and cash equivalents	-1,095.10	-374.06
	30,456.04	26,503.25

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Categories of financial assets and financial liabilities

As at 31 March 2018

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	1,550.00			1,550.00
Loans	1.01			1.01
Other Financial Assets				
- Non Derivative Financial Assets	371.45			371.45
Current Assets				
Investments	5,725.00			5,725.00
Trade Receivables	6,585.23			6,585.23
Other Bank Balances	1,095.10			1,095.10
Loans	21,757.93			21,757.93
Other Financial Assets				
- Non Derivative Financial Assets	1,193.87			1,193.87
- Derivative Financial Assets				-
Current Liabilities				
Trade Payables	4,596.78			4,596.78
Other Financial Liabilities				
- Non Derivative Financial Liabilities	20.55			20.55

As at 31 March 2017

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	3,625.00			3,625.00
Loans	1.06			1.06
Other Financial Assets				
- Non Derivative Financial Assets	1,046.66			1,046.66
Current Assets				
Investments				
Trade Receivables	8,315.00			8,315.00
Other Bank Balances	2,669.28			2,669.28
Loans	374.06			374.06
Other Financial Assets	10,870.51			10,870.51
- Non Derivative Financial Assets	1,465.84			1,465.84
Current Liabilities				
Trade Payables	660.79			660.79
Other Financial Liabilities				
- Non Derivative Financial Liabilities	34.36			34.36

Financial Risk Management Framework

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

CREDIT RISK

(i) Credit risk management

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

Trade receivables consist of institutional customers, largely insurance companies. The Company deals only with those insurance companies who have obtained an acceptable level of credit rating. The Company does not have significant credit risk exposure to any single external counterparty. Out of total outstanding 41% of the debtors are pertaining to group companies.

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

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

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

The loss allowance provision is determined as follows:

As at 31 March 2018

	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate		0.5%	70.0%	
Gross carrying amount		6,585.23	28.50	6,613.73
Loss allowance provision	0.00	32.27	19.95	52.22

As at 31 March 2017

	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate		0.5%	70.0%	
Gross carrying amount		2,669.28	43.59	2,712.87
Loss allowance provision	0.00	14.12	30.51	44.63

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Reconciliation of loss allowance provision for Trade Receivables

Particulars	(Rs. in Lakhs)	
	31-Mar-18	31-Mar-17
Balance as at beginning of the year	43.59	39.02
Impairment losses recognised in the year based on lifetime expected credit losses		
- On receivables originated in the year	(15.09)	4.57
Impairment losses recognised in the year based on 12 month expected credit losses		
On receivables originated in the year		
Balance at end of the year	28.50	43.59

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

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

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

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Non-derivative financial liabilities				
31-Mar-18				
Non-interest bearing	20.55	-	-	-
Total	20.55	-	-	-
31-Mar-17				
Non-interest bearing	34.36	-	-	-
Total	34.36	-	-	-

(iii) Financing arrangements

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

(iv) Maturities of financial assets

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Non-derivative financial liabilities				
31-Mar-18				
Non-interest bearing	1,193.87	311.45	-	-
Fixed interest rate instruments	-	60.00	-	-
Total	1,193.87	371.45	-	-
31-Mar-17				
Non-interest bearing	1,465.84	986.66	-	-
Fixed interest rate instruments	-	60.00	-	-
Total	1,465.84	1,046.66	-	-

MARKET RISK

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

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

Currency Risk

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

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

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

Particulars	Currency	31-Mar-18	31-Mar-17
Trade Receivables	USD	-	-
	EUR	-	-
	GBP	-	-
Trade Payables	USD	-	-
	EUR	-	-
	GBP	-	-

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Foreign Currency Sensitivity

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

Interest rate risk

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

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

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for non-derivative instruments at the end of reporting period. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans given and investments in fixed deposits effected. With all other variables held constant, the Company's profit before tax is affected through the impact on fixed rate investments and interest bearing loans as follows:

(Rs. in Lakhs)			
	Currency	Increase / decrease in basis points	Effect on profit before tax
31-Mar-18	INR	+50	128.98
	INR	-50	-128.98
31-Mar-17	INR	+50	73.36
	INR	-50	-73.36

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

NOTE NO. 22 - FAIR VALUE MEASUREMENT

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

(Rs. in Lakhs)				
Particulars	31-Mar-18		31-Mar-17	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
- loans to related parties	21,400.00	21,400.00	10,550.00	10,550.00
- trade and other receivables	6,585.23	6,585.23	2,669.28	2,669.28
- Loans/lease receivables	358.94	358.94	321.57	321.57
- other financial assets	1,565.32	1,565.32	2,512.50	2,512.50
- Fixed Deposits with Companies	7,275.00	7,275.00	11,940.00	11,940.00
Total	37,184.49	37,184.49	27,993.35	27,993.35
Financial liabilities				
Financial liabilities held at amortised cost				
- trade and other payables	4,596.78	4,596.78	660.79	660.79
Total	4,596.78	4,596.78	660.79	660.79

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

(Rs. in Lakhs)

Fair value hierarchy as at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
- loans to related parties	-	21,400.00	-	21,400.00
- trade and other receivables	-	6,585.23	-	6,585.23
- Loans/lease receivables	-	358.94	-	358.94
- other financial assets	-	1,565.32	-	1,565.32
- Fixed Deposits with companies	-	7,275.00	-	7,275.00
Total	-	37,184.49	-	37,184.49
Financial liabilities				
Financial Instruments not carried at Fair Value				
- trade and other payables	-	4,596.78	-	4,596.78
Total	-	4,596.78	-	4,596.78
Fair value hierarchy as at 31 March 2017				
	Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost				
- loans to related parties	-	10,550.00	-	10,550.00
- trade and other receivables	-	2,669.28	-	2,669.28
- other financial assets	-	2,512.50	-	2,512.50
- Fixed Deposits with companies	-	11,940.00	-	11,940.00
Total	-	27,993.35	-	27,993.35
Financial liabilities				
Financial Instruments not carried at Fair Value				
- trade and other payables	-	660.79	-	660.79
Total	-	660.79	-	660.79

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

NOTE NO. 23 - LEASES

(Rs. in Lakhs)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Details of leasing arrangements		
As Lessee		
Operating Lease		
The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 2 to 5 years and may be renewed for a further period of 3 to 5 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 15 % every 2.5 to 3 years.		
Future Non-Cancellable minimum lease commitments		
not later than one year	75.19	120.74
later than one year and not later than five years	30.28	105.46
later than five years	-	-
Expenses recognised in the Statement of Profit and Loss		
Minimum Lease Payments	406.57	334.68

NOTE NO. 24 - SEGMENT INFORMATION

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

(Rs. in Lakhs)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from external customers		
India	22,080.98	15,286.08
Outside India	164.00	77.16
Total revenue per statement of profit or loss	22,244.98	15,363.24

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

Revenue from major products and services

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

(Rs. in Lakhs)		
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Insurance Broking and auxillary activities	22,244.98	15,363.24
Total	22,244.98	15,363.24

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

NOTE NO. 25 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 287.87 lakhs (F-2017 : Rs.234.48 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

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

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

Asset volatility

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

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities. However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

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

Inflation risk

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

Life expectancy

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

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

	Valuation as at		
	31-Mar-18	31-Mar-17	31-Mar-16
Discount rate(s)	7.46%	7.36%	8.00%
Expected rate(s) of salary increase	7%	5%	5%
Attrition Rate	Attrition rate of 23% up to the age of 35, 11% up to age of 45 and 10% thereafter	Attrition rate of 13% up to the age of 35, 8% up to age of 45 and 6% thereafter	Attrition rate of 1% up to the age of 30 Years

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Defined benefit plans – as per actuarial valuation on 31st March, 2018

(Rs. in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2018	2017
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	75.87	46.12
Past service cost and (gains)/losses from settlements	200.61	63.25
Net interest expense	(0.25)	(0.58)
Components of defined benefit costs recognised in profit or loss	276.23	108.79
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)		
Actuarial gains and loss arising from changes in financial assumptions		
Actuarial gains and loss arising from experience adjustments	200.61	63.25
Others		
Components of defined benefit costs recognised in other comprehensive income	200.61	63.25
Total		
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	563.39	292.76
2. Fair value of plan assets as at 31st March	343.42	296.21
3. Surplus/(Deficit)	219.97	(3.45)
4. Current portion of the above	77.27	50.55
5. Non current portion of the above	486.12	242.21
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	292.76	190.82
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	75.87	46.12
- Past Service Cost		-
- Interest Expense (Income)	21.55	15.27
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions		-
ii. Financial Assumptions	178.81	51.63
iii. Experience Adjustments		-
5. Benefit payments	(5.60)	(11.08)
6. Others		
7. Present value of defined benefit obligation at the end of the year	563.39	292.76
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	296.21	198.07
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	21.80	15.85

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Particulars	(Rs. in Lakhs)	
	Funded Plan	
	Gratuity	
	2018	2017
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	(21.80)	(11.62)
- Others		-
5. Contributions by employer (including benefit payments recoverable)	52.80	104.99
6. Benefit payments	(5.60)	(11.08)
7. Fair value of plan assets at the end of the year	343.41	296.21
IV. The Major categories of plan assets		
- Insurer managed funds	100%	100%
V. Actuarial assumptions		
1. Discount rate	7.46%	7.36%
2. Expected rate of return on plan assets	7.36%	8.00%
3. Attrition rate	Attrition rate of 23% up to the age of 35, 11% up to age of 45 and 10% thereafter	Attrition rate of 13% up to the age of 35, 8% up to age of 45 and 6% thereafter

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

Principal assumption		Changes in assumption	(Rs. in Lakhs)	
			Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2018	1%	-7.21	7.33
	2017	1%	-3.41	3.47
Salary growth rate	2018	1%	6.9	-6.8
	2017	1%	2.53	-2.55
Life expectancy	2018	+/- 1 year	Negligible	Negligible
	2017	+/- 1 year	Negligible	Negligible

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

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

The Company expects to contribute Rs. 150 lakhs to the gratuity trusts during the next financial year of 2019.

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

Maturity profile of defined benefit obligation:

	(Rs. in Lakhs)	
	2018	2017
Within 1 year	110.67	24.40
1 - 2 year	155.92	30.30
2 - 3 year	163.48	36.73
3 - 4 year	160.75	43.73
4 - 5 year	198.45	51.84
5 - 10 years		

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

VIII. Experience Adjustments:	Period Ended				
	2018	2017	2016	2015	2014
	Gratuity				
1. Defined Benefit Obligation	563.39	292.76	190.82	121.18	84.19
2. Fair value of plan assets	343.41	296.21	198.07	137.05	96.01
3. Surplus/(Deficit)	219.98	-3.45	-7.25	-15.87	-11.82
4. Experience adjustment on plan liabilities [(Gain)/Loss]	178.81	51.64	-51.67	-44.44	-45.3
5. Experience adjustment on plan assets [Gain/(Loss)]	-21.8	-15.85	2.85	-10.16	-2.17

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

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

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

NOTE NO. 26 - RELATED PARTY TRANSACTIONS

Name of the parent Company	:	Mahindra & Mahindra Financial Services Limited
Name of the Ultimate parent Company	:	Mahindra & Mahindra Limited
Name of the Fellow subsidiaries	:	Mahindra Rural Housing Finance Limited
	:	Mahindra Integrated Business Solutions Limited
	:	Mahindra Agri Solutions Limited
	:	NBS International Limited
	:	Mahindra First Choice Wheels Limited
Key Management Personnel	:	Dr Jaideep Devare, Managing Director
	:	Rupa Joshi, Company Secretary

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

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

(Rs. in Lakhs)				
Particulars	For the year ended	Parent Company and Ultimate Parent company	KMP of the Company	Fellow subsidiaries
Nature of transactions with Related Parties				
Purchase of property and other assets	31-Mar-18	10.43	-	13.80
including intangibles	31-Mar-17	10.48	-	10.50
Rendering of services	31-Mar-18	2,730.07	-	-
	31-Mar-17	2,629.97	-	-
Receiving of services	31-Mar-18	269.86	396.24	215.84
	31-Mar-17	274.21	127.09	120.86
Interest Income	31-Mar-18	1,025.79	-	1,214.61
	31-Mar-17	1,462.15	-	589.78
Loans given (including Fixed Deposits & Intercompany Deposits placed during the year)	31-Mar-18	15,460.00	-	10,350.00
	31-Mar-17	11,450.00	-	8,350.00
Loans taken (incl Fixed Deposits matured & Intercompany Deposits withdrawn during the year)	31-Mar-18	12,620.00	-	19,375.00
	31-Mar-17	13,625.00	-	2,200.00
Dividend Paid	31-Mar-18	383.38	-	-
	31-Mar-17	328.61	-	-

(Rs. in Lakhs)				
Nature of Balances with Related Parties	For the year ended	Parent Company and Ultimate Parent company	KMP of the Company	Other related parties
Trade payables	31-Mar-18	157.45	-	3.63
	31-Mar-17	56.93	-	11.03
Loans & advances given (incl. Fixed Deposits and Intercompany Deposits placed)	31-Mar-18	9,300.00	-	19,375.00
	31-Mar-17	12,140.00	-	10,350.00
Other balances (including Trade Receivables and Interest Accrued)	31-Mar-18	2,503.98	-	646.85
	31-Mar-17	3,018.11	-	341.68

Compensation of key managerial personnel

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

(Rs. in Lakhs)			
Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Short-term employee benefits		396.24	127.09
Post-employment benefits ¹			
Other long-term benefits ¹			
Termination benefits		-	-
Share-based payment ²			

¹ Figures not available separately for gratuity and leave encashment

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

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

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

NOTE NO. 27 - CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities (to the extent not provided for)

Particulars	(Rs. in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Contingent liabilities	-	-

Particulars	(Rs. in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Commitments #		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Commitments for the acquisition of intangible assets	14.41	43.95

NOTE NO. 28 - ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

Dividend

In respect of the current year, the directors propose that a dividend of Rs.18.00 per share be paid on equity shares on 18 April 2018. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on June 16, 2018. The total estimated equity dividend to be paid is Rs.463.92 lakhs. The payment of this dividend is estimated to result in payment of dividend tax of Rs.95.36 lakhs @ 20.555% on the amount of dividends grossed up for the related dividend distribution tax

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

Particulars	(Rs. in Lakhs)	
	31-Mar-18	31-Mar-17
(i) Principal amount remaining unpaid to MSME suppliers as on	-	-
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

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

Expenditure in foreign currency on account of#:	(Rs. in Lakhs)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Professional and consultation fees	0.00	0.86
Other matters	61.65	40.96

Significant Accounting Policies and Notes

for the year ended 31st March, 2018

	(Rs. in Lakhs)	
Earnings in foreign exchange	For the year ended 31 March 2018	For the year ended 31 March 2017
Other income - Reinsurance brokerage and Consultancy Fees Income	164.00	77.16

	(Rs. in Lakhs)	
Amounts remitted in foreign currency during the year on account of dividend	For the year ended 31 March 2018	For the year ended 31 March 2017
Amount of dividend remitted in foreign currency	67.65	57.99
Total number of non-resident shareholders to whom the dividends were remitted in foreign currency	1	1
Total number of shares held by them on which dividend was due	386598	386598
Year to which the dividend relates	FY 2016-17	FY 2015-16

NOTE NO. 29 - PREVIOUS YEAR FIGURES

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

NOTE NO. 30 - RECENT ACCOUNTING PRONOUNCEMENTS

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115 - 'Revenue from Contracts with Customers' and consequential amendments to various Ind AS standards. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from 1st April, 2018.

Ind AS 115 – 'Revenue from Contracts with Customers':

This standard establishes a single comprehensive model for accounting of revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition guidance under Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The Company is currently assessing the impact of application of Ind AS 115 on Company's financial statements.

The financial statements of Mahindra Insurance Brokers Limited were approved by the Board of Directors and authorised for issue on April 18, 2018.