NOTICE

Notice is hereby given that the Thirty-second Annual General Meeting of Mahindra Insurance Brokers Limited for the Financial Year 2018-19 will be held at the Registered Office of the Company at Mahindra Towers, Dr. G. M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai – 400 018 on Thursday, 18th July, 2019 at 1:30 p.m. to transact the following business:

Ordinary Business:

1) To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2019 including the audited Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss for the year ended 31st March, 2019 and Cash Flow Statement for the year ended 31st March, 2019, on that date together with the Reports of the Board of Directors and Auditors thereon.
2) To declare a dividend on Equity Shares.
3) To appoint a Director in place of Mr. V. Ravi, who retires by rotation and, being eligible, offers himself for re-appointment.
4) To appoint a Director in place of Mr. Hemant Sikka, who retires by rotation and, being eligible, offers himself for re-appointment.
5) To consider and, if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution**:

   "RESOLVED that pursuant to section 139 read with section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the appointment of Messrs. Mukund M. Chitale & Co., Chartered Accountants (ICAI Registration Number 106655W), be and is hereby accorded as the Auditors of the Company to hold office from the conclusion of this 32nd Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company and that their remuneration be fixed by the Board of Directors or any Committee thereof in addition to out of pocket expenses as may be incurred by them during the course of the Audit.

Notes:

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, OR WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2) The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
3) The Record Date for the purpose of payment of dividend on Equity Shares is 17th June, 2019.
4) The dividend for the Financial Year 2018-19 will be paid within 5 days from the declaration of dividend at the AGM as per the provisions of Section 123(4) of the Companies Act, 2013.

As required under SS 2-Secretarial Standards on General Meetings given below are the details of the Director proposed for re-appointment:

Item No. 3:

Mr. V. Ravi (age: 59 years) (DIN: 00307328) was appointed as Non-Executive and Non-Independent Director of the Company with effect from 6th September, 2002.

Mr. V. Ravi is the Executive Director & Chief Financial Officer of the Mahindra & Mahindra Financial Services Limited (“MMFSL”) and has been has been associated with MMFSL since its inception. Mr. V. Ravi is a Chartered and Cost Accountant.

- Mr. V. Ravi has served with Mahindra Ugine Steel Company (MUSCO) for 9 years in Treasury, Finance and Diversification Projects prior to his induction in Mahindra & Mahindra Financial Services Limited way back in 1994. He has been a member of the Asia Council of the Conference Board, USA and the Informal Advisory Group of the Reserve Bank of India.

Mr. V. Ravi is on the following committees :

- Member of the Finance Industry Development Council.
- Member of Corporate Finance Committee of Federation of Indian Chambers of Commerce & Industry.
- Member of the Capital Markets Group of Banking, Finance & Economics Committee of the Bombay Chamber of Commerce and Industry.

Mr. V. Ravi has received many accolades and recognitions in the field of Finance and Technology. He was awarded the "CFO 100 Roll of Honour 2014" award in the category – Winning Edge in Raising Capital/Fund Management – Revenues above

Rs. 1,000 Crores' in the year 2014. He was also awarded the "CFO100 League of Excellence 2015" award by CFO 100 in the year 2015.

Following are the details of the directorships held by him in other companies:

Sr. No.	Name of the Company	Name of the Committee Positions	Committee Position held
1.	Mahindra & Mahindra Financial Services Limited	Stakeholders Relationship Committee	Member
		Asset Liability Committee	Member
		Corporate Social Responsibility Committee	Member
2.	Mahindra Rural Housing Finance Limited	Asset Liability Committee	Member
		Audit Committee	Member
		Risk Management Committee	Member
		IT Strategy Committee	Member
		CSR Committee	Member
3.	Mahindra Asset Management Company Private Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
4.	Mahindra Finance USA LLC	-	-

Mr. V. Ravi has attended 6 out of 6 Board Meetings held by the Company during the Financial Year 2018-19.

Mr. V. Ravi holds 20 Equity shares of the Company jointly with Mahindra & Mahindra Financial Services Limited.

He is liable to retire by rotation. None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. V. Ravi (being the appointee) are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3. None of the Directors or Key Managerial Personnel are related to each other.

Item No. 4:

Mr. Hemant Sikka (age: 51 years) (DIN: 00922281) was appointed as a Non-Executive & Non Independent Director of the Company with effect from 23rd October, 2006.Mr. Hemant Sikka is the President - CPO, Powerol & Spares Business of Mahindra & Mahindra Ltd.

He holds a B.Tech Degree from the National Institute of Technology, Kurukshetra, Haryana and has completed MBA from the Faculty of Management Studies (FMS), Delhi University. He is associated with the Mahindra Group since past 19 years.

Mr. Sikka manages a purchasing spend of Rs. 40,000 crs for the various divisions, manufacturing, Cars, SUVs, Tractors, Trucks, Buses, Two Wheelers & Construction Equipment. In addition to his role as CPO,

Mr. Sikka also leads the Genset & Spare Parts Business of Mahindra, both together having a turnover of Rs. 4750 crs. He is a member of the 'Group Executive Board' and on the board of various group companies.

Mr. Sikka does not hold any shares in the Company.

Following are the details of the directorships held by him in other companies:

Sr. No.	Name of the Company	Category
1.	Mahindra Automobile Distributor Private Limited	Chairman
2.	Mahindra Two Wheelers Limited	Chairman
3.	Mahindra First Choice Services Limited	Director
4.	Mahindra Waste To Energy Solutions Limited	Director
5.	Mahindra Trucks And Buses Limited	Chairman
6.	Mahindra Telecom Energy Management Services Limited	Director
7.	Mahindra Insurance Brokers Limited	Director
8.	Erkunt Sanayi	Director
9.	Erkunt Traktor Sanayii	Director
10.	Hisarlar Itahalar Ihracatnpazarlama A.S.	Director
11.	Hisarlar Makina Sanayi Ve Ticaret A.S.	Director

Mr. Sikka does not hold any Committee position in any Company.

Mr. Sikka has attended 5 out of 6 Board Meeting held by the Company during the Financial Year 2018-19.

Mr. Sikka does not draw any remuneration of the Company and he is liable to retire by rotation.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. Sikka (being the appointee) are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4. None of the Directors or Key Managerial Personnel are related to each other.

For and on behalf of the Board

Rajeev Dubey
Chairman

15th July, 2019
Mumbai

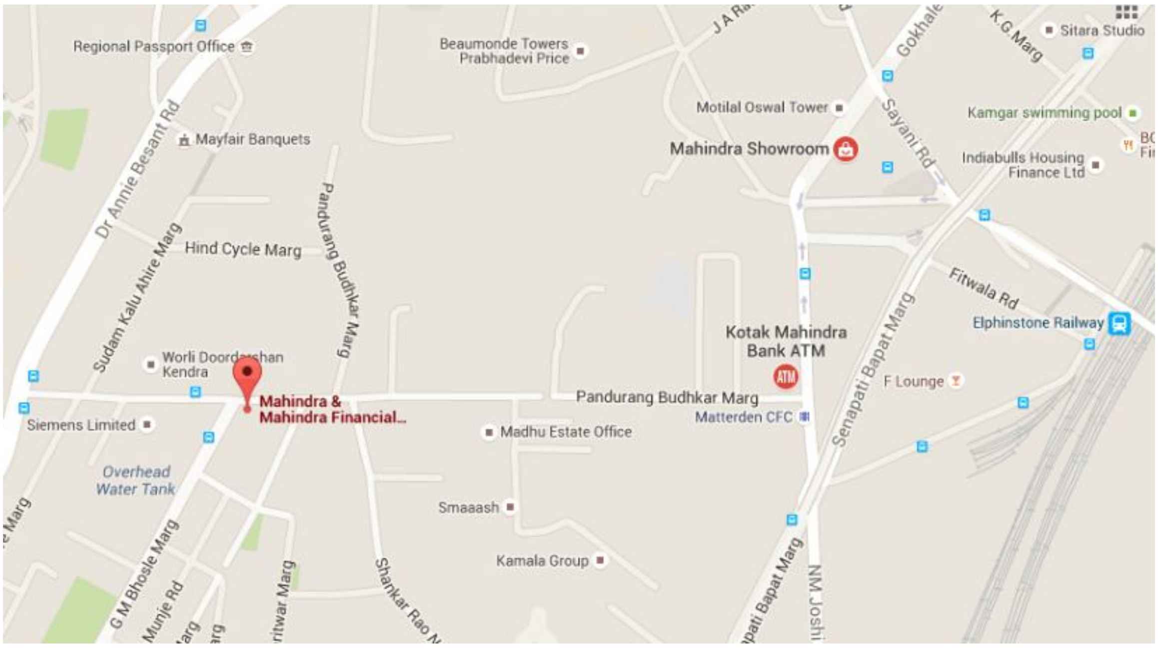
Registered Office:
Mahindra Towers, P. K. Kurne Chowk,
Worli, Mumbai - 400 018.
CIN: U65990MH1987PLC042609
Tel: +91 22 66423800
Fax: +91 22 24915894
E-mail: insurance.care@mahindra.com
Website: www.mahindrainsurance.com

Name of the Company Secretary: Rupa Joshi
Contact No. 022 6652 6000
Email ID: joshi.rupa@mahindra.com

- ROUTE MAP -

32nd Annual General Meeting of Mahindra Insurance Brokers Limited to be held at the Registered Office of the Company at Mahindra Towers, 4th Floor, P. K. Kurne Chowk, Worli, Mumbai – 400 018, on Thursday, the 18th day of July, 2019, at 1:30 p.m.

Prominent Landmark : Near Worli T. V. Tower [Doordarshan]



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name(s) of the Member(s) :

Registered Address :

E-mail ID :

Folio no. / Client ID :

DP ID :

I/We, being the Member(s) of **MAHINDRA INSURANCE BROKERS LIMITED** holding __________ Equity Shares hereby appoint:

1 Name :

Address :

E-mail ID :

Signature :

or failing him/ her

2 Name :

Address :

E-mail ID :

Signature :

or failing him / her

3 Name :

Address :

E-mail ID :

Signature :

as my / our Proxy to attend and vote (on a Poll) for me / us and on my / our behalf at the **Thirty-second Annual General Meeting** of **Mahindra Insurance Brokers Limited** to be held on Thursday, 18th July, 2019 at 1:30 p.m. at Mahindra Towers, 4th Floor, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	**Description**
Ordinary Business	
1.	To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2019 including the audited Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss for the year ended 31st March, 2019 and Cash Flow Statement for the year ended 31st March, 2019, on that date together with the Reports of the Board of Directors and Auditors thereon.
2.	To declare a dividend on Equity Shares.
3.	To appoint a Director in place of Mr. V. Ravi, who retires by rotation and, being eligible, offers himself for re-appointment.
4.	To appoint a Director in place of Mr. Hemant Sikka, who retires by rotation and, being eligible, offers himself for re-appointment.
5.	To appoint Statutory Auditors of the Company.

Signed this ____day of __________________2019

Affix Revenue Stamp

____

Signature of Shareholder

____

Signature of Proxy Holders

NOTE : This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name and Registered Address of the shareholder :

Joint Holder :

Folio no. / DP ID no. :

Client ID no. :

No. of shares :

I hereby record my presence at the Thirty-second Annual General Meeting of **Mahindra Insurance Brokers Limited** held on Thursday, 18th July, 2019 at 1:30 p.m. at Mahindra Towers, 4th Floor, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

Name(s) of the Shareholder(s) / Representative / Proxy (IN BLOCK CAPITALS)	
Signature(s) of the Shareholder(s) / Representative / Proxy	

Note: You are requested to bring your copy of the Annual Report to the Meeting

Board's Report

To,

The Members of
Mahindra Insurance Brokers Limited

Your Directors have pleasure in presenting the 32nd Annual Report along with the Audited Accounts of your Company for the year ended March 31, 2019.

FINANCIAL RESULTS

Amount in Rs. Lakhs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Income	32,336.35	24,513.39
Profit before Interest, Depreciation and Taxation	10,650.93	8,551.40
Depreciation	361.56	234.16
Profit before Taxation	10,289.37	8,317.24
Provision for Taxation:		
Provision for Current Tax	3,188.00	3,123.00
Provision for Deferred Tax	(48.02)	(154.01)
Excess provisions of earlier years written back	0	(10.60)
Provision for Taxation	3,139.98	2,958.39
Profit after Taxation	7,149.39	5,358.85
Other Comprehensive Income	(43.95)	(142.19)
Total Comprehensive Income for the period	7,105.44	5,216.66
Balance of Retained Earnings for prior years	28,193.37	23,377.35
Amount available for appropriation	7,149.39	5,358.85
Appropriations:		
Issue of Bonus Shares	784.12	0
Dividend on Equity Shares (paid)	463.92	451.02
Tax on Dividend (paid)	95.36	91.81
Surplus Retained Earnings carried to Balance Sheet	33,999.36	28,193.37

2 DIVIDEND

Your Directors recommend a dividend of Rs. 7.50 per Equity Share of Rs. 10 each (75%[1], including 15% special dividend on successful completion of 15 years of your Company) on 1,03,09,280 Equity Shares of Rs.10 each, aggregating to Rs. 773.20 lakhs (previous year Rs. 463.92 lakhs). 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. 932.13 lakhs (as against Rs. 559.28 lakhs on account of dividend of Rs. 18[2] per Equity Share, paid for the previous year).

1 This dividend would be paid on the enhanced base of share capital, post issue of bonus shares in the ratio of 3:1 during current financial year

2 This dividend of Rs.18 per equity share i.e. 180% declared for previous financial year, was on the share capital base prior to issue of bonus shares during current financial year.

3. RESERVES

No amount is proposed to be transferred to General Reserve and an amount of Rs. 33,999.36 lakhs is proposed to be retained in the statement of Profit and Loss.

4. OPERATIONS

The year ended March 31, 2019 marked the 15th year of successful insurance broking operations of your Company. In this journey of 15 years, your Company has been able to serve over 12 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 3,00,000 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 2.27 million insurance cases, with a total of 22,65,146 cases for both Life and Non-Life Retail business. The customized Life insurance cover "Mahindra Loan Suraksha" (MLS) increased from 6,85,264 lives covered with a Sum Assured of Rs. 21,57,930 lakhs in the Financial Year 2017-18 to 8,13,742 lives covered with a Sum Assured of Rs. 27,76,497 lakhs in the Financial Year 2018-19. A substantial portion of MLS continues to be covered in the rural markets.

Your Company achieved a growth of 11% in Gross Premium facilitated for the Corporate and Retail business lines, increasing from Rs. 2,04,913.30 lakhs in the Financial Year 2017-18 to Rs. 2,26,775.65 lakhs in the Financial Year 2018-19. The Total Income increased by 32% from Rs. 24,513.39 lakhs in the Financial Year 2017-18 to Rs. 32,336.35 lakhs in the Financial Year 2018-19. The Profit before Tax increased by 24% from Rs. 8,317.24 lakhs to Rs. 10,289.37 lakhs crossing a milestone of Rs. 100 crores, and the Profit after Tax increased by 33% from Rs. 5,358.85 lakhs to Rs. 7,149.39 lakhs during the same period. The Networth increased by 21% from Rs. 31,551.14 lakhs in the Financial Year 2017-18 to Rs. 38,086.38 lakhs in the Financial Year 2018-19.

5. ACHIEVEMENTS

The Company participated in the 9th CII National HR Excellence Award (Confederation of Indian Industry) and has been awarded with 'Significant Achievement in HR Excellence' in March, 2019.

Your Company has also been awarded with Porter Prize for "Creating Shared Value" by Institute for Competitiveness in May, 2018.

6. SIGNIFICANT EVENTS

Your Company at its Nomination & Remuneration Committee ("NRC") meeting held on January 18, 2019 had approved the "MIBL Employees Phantom Stock Option Plan 2019" ("EPSOP 2019"/"Plan").

In the aforesaid plan, all the eligible employees and eligible Directors of the Company have been issued Phantom Stock Options ("Options") for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The approval of the Board of Directors was taken at the Board Meeting held on January 18, 2019 to create, offer and grant up to 5,15,464 (Five Lakhs Fifteen Thousand Four Hundred and Sixty Four) Options to the employees and Directors working with the Company including its subsidiary company or holding company, as identified by the Board under the Plan.

Mr. Kumar Raj Pherwani (Principal Officer and founding team member) and Mr. K. Raghunath (Chief of Reinsurance) have retired from the services of the Company as on March 31, 2019. The Company take the opportunity to thank them for their long term association with the Company and contribution towards the growth of the Company. Mr. Rajesh Kumar Sharma, subject to requisite approval from Insurance Regulatory and Development Authority of India, has been appointed as the new Principal Officer of the Company, through the Board of Directors' meeting held on January 18, 2019. The Company has also identified a person for the position of Chief of Reinsurance.

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.

Increase in Authorised Share Capital

The Authorised Share Capital of our Company was increased from 35,00,000 Equity Shares of Rs. 10 each to 1,50,00,000 Equity Shares of Rs. 10 each vide a resolution passed by the shareholders of our Company at its Extra Ordinary General Meeting held on July 18, 2018.

Issue of Bonus Shares

Pursuant to the recommendation of the Board of Directors at its Meeting held on July 18, 2018 and approval of the Members of the Company by an Ordinary Resolution at their Extra Ordinary General Meeting held on July 18, 2018, your Company has on August 13, 2018 allotted 7,731,960 Equity Shares of Rs. 10 each as fully paid-up Bonus Shares in the ratio of 3 (three) Bonus Share for every 1 (one) existing Equity Share of the Company held by the Shareholders as on the Record Date i.e. 18th July, 2018.

Consequently, the paid-up Equity Share Capital of the Company increased to Rs. 10,30,92,800 divided into 1,03,09,280 Equity Shares of Rs. 10 each, fully paid-up.

As on March 31, 2019, 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, 2019, the Company has 8 (eight) directors of which 1 (one) is Managing Director, 1(one) Director is a Nominee of the Investor, 4 (four) are Non-Executive Non-Independent Directors and 2 (two) are Independent Directors.

The Board reviews and approves strategy and oversees the actions and results of the management to ensure that the long term objectives of the enhancing stakeholders' value are met. None of the Board of Directors holds directorships in more than 10 public companies. None of the directors are related to each other. Mr. V. Ravi (DIN: 00307328) and Mr. Hemant Sikka (DIN: 00922281) 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 5 (five) years with effect from March 30, 2015. These Independent Directors shall hold the office of directorship for a term of 5(five) years. None of the Independent Directors are due for re-appointment.

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, Mr. Saurabh V. Dharadhar – Chief Financial Officer and Ms. Rupa Joshi – Company Secretary.

10. BOARD MEETING AND ANNUAL GENERAL MEETING

The Board of Directors met 6 (six) times in Financial Year 2018-19 viz. April 18, 2018, July 18, 2018, October 17, 2018, January 18, 2019, February 28, 2019 and March 5, 2019. The maximum interval between any 2 (two) meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Necessary quorum was present for all the meetings.

There were 3 (three) Extra-Ordinary General Meetings held during the year viz. July 18, 2018, January 18, 2019 and March 22, 2019.

The names and categories of the Directors of the Company, their attendance at the Board Meetings held during the Financial Year 2018-19 and at the last Annual General Meeting of the Company held on July 18, 2019 are as follows:

Names of Directors	Category	Attendance at the Board Meetings held during the Financial Year 2018-19		Attendance at the Last Annual General Meeting held on July 18, 2018 (Yes/ No/ N.A.)
		Held	Attended	
Mr. Rajeev Dubey (Chairman)	Non-Executive, Non-Independent	6	5	Yes
Mr. Ramesh Iyer	Non-Executive, Non-Independent	6	6	Yes
Mr. Nityanath Ghanekar	Non-Executive, Independent	6	6	Yes
Mr. V. Ravi	Non-Executive, Non-Independent	6	6	Yes
Ms. Anjali Raina	Non-Executive, Independent	6	4	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)	6	4	No

11 MEETING OF INDEPENDENT DIRECTORS

During the year 2018-19, 1 (one) meeting of the Independent Directors was held on February 28, 2019. 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, 2019, the Audit Committee comprised of 2 (two) Independent Directors and 1 (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 5 (five) times during the year on April 18, 2018, July 18, 2018, October 17, 2018, January 18, 2019 and February 28, 2019.

The attendance of the members of the Audit Committee at its meetings held during the Financial Year 2018-19 is given below:

Names of Members	Category	Attendance at the Meetings held during the Financial Year 2018-19	
		Held	Attended
Mr. Nityanath Ghanekar (Chairman)	Non-Executive, Independent	5	5
Ms. Anjali Raina	Non-Executive, Independent	5	3
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 31st Annual General Meeting of the Company held on July 18, 2018.

ii) Nomination and Remuneration Committee

As on March 31, 2019, the Nomination and Remuneration Committee comprised of 2 (two) Independent Directors and 2 (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 6 (six) times during the year on April 18, 2018, July 18, 2018, August 6, 2018, October 17, 2018, January 18, 2019 and February 28, 2019.

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 2018-19 is given below:

Names of Members	Category	Attendance at the Meetings held during the Financial Year 2018-19	
		Held	Attended
Mr. Rajeev Dubey	Non-Executive, Non-Independent	6	5
Mr. Nityanath Ghanekar	Non-Executive, Independent	6	6
Mr. Ramesh Iyer	Non-Executive, Non-Independent	6	6
Ms. Anjali Raina	Non-Executive, Independent	6	3

iii) Corporate Social Responsibility Committee

As on March 31, 2019, the Corporate Social Responsibility Committee comprised of 1 (one) Independent Director and 4 (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 18, 2018, and October 17, 2018.

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 2018-19	
		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	0
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 2018-19 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, 2019, 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, 2019 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, 2019 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. 160.33 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, 2019 which forms part of this Report and is appended as **Annexure II**.

Annual Return

Pursuant to sub-section 3(a) of section 134, read with Rule 11 of the Companies (Management and Administration) Rules, 2014, an Annual Return of the Company has been placed on the website of the Company and can be accessed at https://www.mahindrainsurance.com.

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 was revised on February 28, 2019 pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors to bring it in line with the Companies (Amendment) Act, 2017.

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. 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 IV** 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 IRDAI (Insurance Brokers) Regulations, 2018 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 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 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 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

Messrs. B. K. Khare & Co., Chartered Accountants (ICAI Firm Registration No.105102W), the retiring Auditors of the Company complete their term as Statutory Auditors as provided under the Companies Act, 2013 and relevant Rules thereunder at the conclusion of the ensuing Annual General Meeting ("AGM") of the Company.

The Board has placed on record its sincere appreciation for the services rendered by Messrs. B. K. Khare & Co., as Statutory Auditors of the Company.

The Auditors' Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer.

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 capabilities and recognizing the team managers who provide a rewarding work environment for their teams.

Your Company 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 (in February 2018). The Company'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 endeavored to develop people capabilities to match and exceed customer expectations. 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.

31. SUBSIDIARIES

The Company does not have any subsidiary as at March 31, 2019 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 V**.

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. MAINTENANCE OF COST RECORDS

The Company is not required to maintain Cost Records pursuant to section 148(1) of the Companies Act, 2013 read with applicable Rules.

37. SECRETARIAL AUDITOR

The Board of Directors of the Company has appointed Messrs. Siroya & BA, Associates, Company Secretaries, to conduct the Secretarial Audit of the Company pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In accordance with the provisions of sub-section (1) of section 204, the Secretarial Audit Report for the Financial Year 2018-19 is appended to this Report as **Annexure-VI**.

38. 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 the Company's customers, employees, business partners, vendors and investors for their continuous support. Your Directors truly appreciate and value the contributions made by each and every member of the Company.

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai, April 18, 2019

Registered Office:
Mahindra Towers,
P. K. Kurne Chowk, Worli,
Mumbai – 400 018
CIN: U65990MH1987PLC042609
Tel: +91 22 6642 3800
Fax: +91 22 2491 5894
E-mail: insurance.care@mahindra.com
Website:www.mahindrainsurance.com

ANNEXURE I TO THE DIRECTORS' REPORT

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

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 net 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 at the web link https://www.mahindrainsurance.com/Social-Responsibility.aspx

2)	Composition of the CSR Committee	1. Mr. Rajeev Dubey (Chairman) 2. Mr. Ramesh Iyer (Non-Executive & Non-Independent Director) 3. Mr. V. Ravi (Non-Executive & Non-Independent Director) 4. Ms. Anjali Raina (Independent Director) 5. Dr. Jaideep Devare (Managing Director)
3)	Average Net Profit of the Company for last 3 Financial Years	Rs.8006.32 lakhs
4)	Prescribed CSR expenditure (2% of this amount as in item 3 above)	Rs.160.13 lakhs
5)	Details of CSR spent for the Financial Year: 2018-19	Rs. 160.33 lakhs
	a) total amount spent for the Financial Year	Nil
	b) Amount unspent, if any; 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

(Rs. In Lakhs)

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	80.07	80.07	80.07	KC Mahindra Education Trust(Nanhi Kali)
2	Donation for Cancer Patient	Health	Maharashtra	5.00	5.00	5.00	Jaya Foundation
3	Sponsorship of Samaj Shakti Award/Save Sabrimala	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 Mahaganpati Hospital
5	Umeed Skilling Down Syndrome Youth	Education	Maharashtra	16.00	16.00	16.00	Sakshi Foundation
6	Skills for Progress	Gender Equality	Maharashtra	18.00	18.00	18.00	Pratham Education Foundation
7	Blind Folding Sticks & talking watches	Health	Maharashtra	0.26	0.26	0.26	National Society For The Blind
8	Support to Education	Education	Maharashtra	2.00	2.00	2.00	United Way of Mumbai
9	Donation for Cancer Patient	Health	Maharashtra	3.00	3.00	3.00	Think Foundation
10	Medical Expenses of Heart Surgery	Health	Maharashtra	4.00	4.00	4.00	Care Child And Old Age Foundation
			Total	**160.33**	**160.33**	**160.33**	

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, 2019

ANNEXURE II TO THE DIRECTORS' REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2019

[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:

CIN	U65990MH1987PLC042609
Registration Date	18/02/1987
Name of the Company	Mahindra Insurance Brokers Limited
Category / Sub-Category of the Company	Public Limited Company by Shares
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
Whether listed company Yes/No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limted Karvy Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, India.

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	20,61,826	30	20,61,856	80.00	82,47,424		82,47,424	80.00	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**20,61,826**	**30**	**20,61,856**	**80.00**	**82,47,424**	**-**	**82,47,424**	**80.00**	**-**
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**20,61,826**	**30**	**20,61,856**	**80.00**	**82,47,424**		**82,47,424**	**80.00**	**-**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	5,15,464	-	5,15,464	20.00	20,61,856	-	20,61,856	20.00	-
Sub-total (B)(1)	**5,15,464**	**-**	**5,15,464**	**20.00**	**20,61,856**	**-**	**20,61,856**	**20.00**	**-**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Sub-total (B)(2)	**5,15,464**	**-**	**5,15,464**	**20.00**	**20,61,856**	**-**	**20,61,856**	**20.00**	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**25,77,290**	**30**	**25,77,320**	**100.00**	**1,03,09,280**	**-**	**1,03,09,280**	**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	20,61,826	80.00	Nil	82,47,304	80.00	Nil	-
2.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Ramesh Iyer	5	-	Nil	20	-	Nil	-
3.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Rajeev Dubey	5	-	Nil	20	-	Nil	-
4.	Mahindra & Mahindra Financial Services Limited Jointly with Dr. Jaideep Devare	5	-	Nil	20	-	Nil	-
5.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. S. Durgashankar	5	-	Nil	20	-	Nil	-
6.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Venkatraman Ravi	5	-	Nil	20	-	Nil	-
7.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Rajesh Vasudevan	5	-	Nil	20	-	Nil	-
	Total	**20,61,856**	**80.00**	**Nil**	**82,47,424**	**80.00**	**Nil**	**-**

(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, 2018)	20,61,856	80.00			
	Increase- Issue of Bonus Equity Shares (August 13, 2018)			+61,85,568		
	At the end of the year (As at March 31, 2019)				82,47,424	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, 2018)	5,15,464	20.00			
	Increase- Issue of Bonus Equity Shares (August 13, 2018)			+15,46,392		
	At the end of the year (As at March 31, 2019)				20,61,856	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 the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Mr. Ramesh Iyer (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As on April 1, 2018)	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.)	15 shares allotted pursuant to Issue of Bonus Equity Shares by the Company on 13th August, 2018.			
	At the end of the year (As on March 31, 2019)	20	-	20	-
2.	Mr. V. Ravi (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As on April 1, 2018)	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.)	15 shares allotted pursuant to Issue of Bonus Equity Shares by the Company on 13th August, 2018.			
	At the end of the year (As on March 31, 2019)	20	-	20	-
3.	Mr. Rajeev Dubey (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As on April 1, 2018)	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.)	15 shares allotted pursuant to Issue of Bonus Equity Shares by the Company on 13th August, 2018.			
	At the end of the year (As on March 31, 2019)	20	-	20	-

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of Total Shares of the Company
4.	Dr. Jaideep Devare (jointly with Mahindra & Mahindra Financial Services Limited)				
	At the beginning of the year (As on April 1, 2018)	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.)	15 shares allotted pursuant to Issue of Bonus Equity Shares by the Company on 13th August, 2018.			
	At the end of the year (As on March 31, 2019)	20	-	20	-
5.	Mr. Hemant Sikka				
	At the beginning of the year (As on April 1, 2018)	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 on March 31, 2019)	Nil	-	Nil	-
6.	Mr. Nityanath Ghanekar				
	At the beginning of the year (As on April 1, 2018)	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 on March 31, 2019)	Nil	-	Nil	-
7.	Ms. Anjali Raina				
	At the beginning of the year (As on April 1, 2018)	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 on March 31, 2019)	Nil	-	Nil	-
8.	Mr. Derek Nazareth				
	At the beginning of the year (As on April 1, 2018)	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 on March 31, 2019)	Nil	-	Nil	-

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of Total Shares of the Company
9.	Ms. Rupa Joshi - Company Secretary				
	At the beginning of the year (As on April 1, 2018)	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 on March 31, 2019)	Nil	-	Nil	-
10.	Mr. Saurabh V. Dharadhar- Chief Financial Officer				
	At the beginning of the year (As on April 1, 2018)	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.)				
	At the end of the year (As on March 31, 2019)	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/Manager			Total Amount
		Managing Director Dr. Jaideep Devare	Whole time Director	Manager	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	161.49	–	–	161.49
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961@	37.03	–	–	37.03
	(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)	**198.52**			**198.52**
	Ceiling as per the Act	5% of the Net Profits equivalent to Rs. 526.82 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 2018-19.

B. Remuneration to Other Directors:

Rs. in Lakhs

Sl. No.	Particulars of Remuneration							Total Amount
1.	Independent Directors	Mr. Nityanath Ghanekar	Ms. Anjali Raina					
	• Fee for attending Board / Committee Meetings	4.00	2.40	0.00	0.00	0.00	0.00	6.40
	• Commission	6.00	6.00	0.00	0.00	0.00	0.00	12.00
	• Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (1)		**10.00**	**8.40**	**0.00**	**0.00**	**0.00**	**0.00**	**18.40**
2.	Other Non-Executive Directors			Mr. Rajeev Dubey	Mr. Ramesh Iyer	Mr. V. Ravi	Mr. Hemant Sikka	
	• Fee for attending Board / Committee Meetings	-	-	0.00	0.00	0.00	0.00	0
	• Commission	-	-	0.00	0.00	0.00	0.00	0
	• Others	-	-	0.00	0.00	0.00	0.00	0
Total (2)		**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
Total (B)=(1+2)				0.00	0.00	0.00	0.00	**18.40**
Total Managerial Remuneration		10.00	8.40					**18.40**
Overall Ceiling as per the Act					11% of the Net profits together with the Managing Director equivalent to Rs. 1158.99 Lakhs with respect to the ceiling for the Company applicable for the Financial Year covered by this Report.			

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

Rs. in Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary@ Ms. Rupa Joshi	CFO# Mr. Saurabh V. Dharadhar	Total
1.	Gross Salary		4.41	51.84	56.25
	(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	-	-	0.29	0.29
	(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)	**-**	**4.41**	**52.13**	**56.54**

@ Secretarial function covered under cost sharing arrangement.

Remuneration of CFO is calculated from the date of appointment i.e. 18th July, 2018 to 31st March, 2019.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made if any (give Details)
A.	**Company**					
	Penalty					
	Punishment			NONE		
	Compounding					
B.	**Directors**					
	Penalty					
	Punishment			NONE		
	Compounding					
C.	**Other Officers in Default**					
	Penalty					
	Punishment			NONE		
	Compounding					

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai, April 18, 2019

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 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 approval of shareholders, where required, he/she shall refund such sums to the Company within 2 years or such lesser period as may be allowed by 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 Shareholders by Special Resolution.

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

Rajeev Dubey
Chairman

Mumbai, April 18, 2019

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, 2019

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 (Rs. In Lakhs)	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	5907.78 Lakhs	

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai, April 18, 2019

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra Insurance Brokers Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahindra Insurance Brokers Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the relevant and applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; and

(iii) Based on the representation made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance under the following laws applicable specifically to the Company:

    (i) Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India, and

2. Listing Agreement/LODR: The Company is an unlisted Company and therefore compliance with listing agreement is not applicable.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable. Annual Return on Foreign Liabilities and Assets ("FLA") during the financial year 2018-19, which is a 'Nil' FLA Return, was filed with a delay of 4 days.

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors of the Company during the period under review.

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at these meetings.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period,

(i) At the Annual General Meeting held on July 18, 2018 the Company, inter-alia, declared a final dividend of Rs.18/- per equity share on 25,77,320 fully paid equity shares of Rs.10 each;

(ii) Member at their Extra Ordinary General Meeting held on July 18, 2018 approved:

    a) Increase in Authorised Share Capital of the Company from Rs.3,50,00,000 to Rs.15,00,00,000 and consequent alteration in the Memorandum of Association of the Company; and

b) Issue of fully paid Bonus Shares of Rs.10/- each to the holders of existing Equity Shares of the Company in the proportion of 3:1, i.e. 3 (Three) Bonus Equity Shares for every 1 (One) fully paid-up Equity Share of the Company;

(iii) The Committee of the Directors at their meeting held on August 13, 2018, inter-alia, approved allotment of 77,31,960 Equity Shares of Rs.10 each as bonus shares to the existing Members of the Company;

(iv) The Board of Directors at their Meeting held on January 18, 2019 approved the following:

a) Approved the MIBL Employee Phantom Stock Option Plan 2019 to grant up to 5,15,464 stock options to the employees and Directors working for the Company including its subsidiary company(ies) or holding company; and

b) Approved the appointment of Mr. Rajesh Kumar Sharma as the Principal Officer (Designate) of the Company in compliance with the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2018, subject to requisite approvals from Insurance Regulatory and Development Authority of India ("IRDAI").

(v) Member at their Extra Ordinary General Meeting held on January 18, 2019, granted their approval for the following:

a) To make loans/ place inter-corporate deposits for an amount not exceeding Rs.350 crores outstanding at any time, in Mahindra Rural Housing Finance Limited; and

b) Remuneration to be paid to the Non-Executive Non-Independent Directors of the Company (other than Managing Director) under "MIBL Employees Phantom Stock Option Plan 2019"; and

(vi) Member at their Extra Ordinary General Meeting held on March 22, 2019, granted their approval for revision of remuneration of Dr. Jaideep Devare, Managing Director.

For Siroya and BA Associates
Company Secretaries

Sd/-

Bhavyata Raval
Partner
ACS No.: 25734
CP No.: 21758

Date: April 18, 2019
Place: Mumbai

Note: This Report is to be read with our letter of even date which is annexed as 'Annexure A' herewith and forms an integral part of this report.

ANNEXURE 'A'

To,
The Members,
Mahindra Insurance Brokers Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Siroya and BA Associates
Company Secretaries

Sd/-

Bhavyata Raval
Partner
ACS No.: 25734
CP No.: 21758

Date: April 18, 2019
Place: Mumbai

Independent Auditor's Report

To the Members of

Mahindra Insurance Brokers Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

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

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

Management's responsibilities for the Ind AS Financial Statements

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

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

i. The Company does not have any pending litigations;

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

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

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

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

ANNEXURE A TO THE AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Shirish Rahalkar
Partner
Membership Number 111212
Mumbai, April 18, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Mahindra Insurance Brokers Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

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

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

Balance Sheet

as at 31 March 2019

₹ In Lakhs

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

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

In terms of our report attached.

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

Shirish Rahalkar
Partner
Membership No. 111212

For and on behalf of the Board of Directors

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

Place : Mumbai
Date : April 18, 2019

Place : Mumbai
Date : April 18, 2019

Statement of Profit and Loss

for year ended 31 March 2019

Rs. in lakhs

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

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

In terms of our report attached.

For and on behalf of the Board of Directors

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

Shirish Rahalkar
Partner
Membership No. 111212

Rajeev Dubey
Chairman
DIN: 00104817

Ramesh Iyer
Director
DIN: 00220759

V Ravi
Director
DIN: 00307328

Hemant Sikka
Director
DIN: 00922281

Nityanath Ghanekar
Director
DIN: 00009725

Anjali Raina
Director
DIN: 02327927

Derek Nazareth
Director
DIN: 07031760

Dr. Jaideep Devare
Managing Director
DIN: 00009112

Rupa Joshi
Company Secretary
Mem No.: ACS 17395

Saurabh V. Dharadhar
Chief Financial Officer

Place : Mumbai
Date : April 18, 2019

Place : Mumbai
Date : April 18, 2019

Statement of Cash Flows

for year ended 31 March 2019

Rs. in lakhs

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

Notes :

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

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

In terms of our report attached.

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

Shirish Rahalkar
Partner
Membership No. 111212

For and on behalf of the Board of Directors

Rajeev Dubey
Chairman
DIN: 00104817

Ramesh Iyer
Director
DIN: 00220759

V Ravi
Director
DIN: 00307328

Hemant Sikka
Director
DIN: 00922281

Nityanath Ghanekar
Director
DIN: 00009725

Anjali Raina
Director
DIN: 02327927

Derek Nazareth
Director
DIN: 07031760

Dr. Jaideep Devare
Managing Director
DIN: 00009112

Rupa Joshi
Company Secretary
Mem No.: ACS 17395

Saurabh V. Dharadhar
Chief Financial Officer

Place : Mumbai
Date : April 18, 2019

Place : Mumbai
Date : April 18, 2019

Statement of Changes in Equity

for year ended 31 March 2019

A. Equity Share Capital

Rs. in lakhs

	Amount
As at 1 April 2017	257.73
Changes in equity share capital during the year	-
As at 31 March 2018	**257.73**
Changes in equity share capital during the year	773.20
As at 31 March 2019	**1,030.93**

B. Other Equity

Rs. in lakhs

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

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

In terms of our report attached.

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

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 18, 2019

For and on behalf of the Board of Directors

Rajeev Dubey
Chairman
DIN: 00104817

Ramesh Iyer
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DIN: 00009725

Anjali Raina
Director
DIN: 02327927

Derek Nazareth
Director
DIN: 07031760

Dr. Jaideep Devare
Managing Director
DIN: 00009112

Rupa Joshi
Company Secretary
Mem No.: ACS 17395

Saurabh V. Dharadhar
Chief Financial Officer

Place : Mumbai
Date : April 18, 2019

Notes to the Financial Statement

for the year ended 31 March 2019

1 Company overview

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

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

2 Basis of preparation

a. Statement of compliance and basis of preparation

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

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

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

b. Functional and presentation currency

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

c. Basis of measurement

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

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

d. Measurement of fair values

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

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

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

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

e. Use of judgements and estimates

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

Notes to the Financial Statement

for the year ended 31 March 2019

Assumptions and estimation uncertainties

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

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

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

3 Significant accounting policies

a. Property, plant and equipment :

Recognition and measurement

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

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

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

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

Subsequent costs

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

Depreciation

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

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

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

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

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

Notes to the Financial Statement
for the year ended 31 March 2019

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

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

b. Intangible Assets :

Intangible Assets are initially recognised at cost.

Amortisation

Subsequent to initial recognition, intangible assets with indefinite useful lives are carried at cost less accumalated amortisation and accumaltated impairement, 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 Assets	Year ended 31 March 2019	Year ended 31 March 2018
Computer software	3 years	3 years

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

Intangible assets under development

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

Derecognition of intangible assets

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

c. Impairment of assets other than financial assets:

Impairment of tangible and intangible assets other than goodwill

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the

Notes to the Financial Statement

for the year ended 31 March 2019

asset for which the estimates of future cash flows have not been adjusted.

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

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

d. Foreign currency :

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

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

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

e. Financial instruments :

Recognition and initial measurement

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

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:

Notes to the Financial Statement

for the year ended 31 March 2019

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

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

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

Effective interest method

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

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

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

A financial asset is held for trading if:

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

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

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

Financial assets: Subsequent measurement and gains and losses

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

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

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

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

Financial liabilities and equity instruments:

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,

Notes to the Financial Statement

for the year ended 31 March 2019

net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to [share premium/other equity]. Where the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to [retained profits/other equity]. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

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

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Offsetting

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

Write-off

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

Impairment of financial instruments

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

- Financial assets measured at amortised cost;

- Financial assets measured at FVOCI - debt investments;

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

For all other financial instruments, the Company recognises lifetime ECL when there has been

Notes to the Financial Statement

for the year ended 31 March 2019

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

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

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

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

f. Revenue Recognition :

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

Rendering of services

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

Dividend and interest income

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

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

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

g. Employee benefits:

Superannuation Fund, ESIC and Labour Welfare Fund

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

Provident Fund

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

Notes to the Financial Statement

for the year ended 31 March 2019

members at the rate declared by the Government of India.

Gratuity

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

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

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

Defined contribution plans

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

Compensated Absences

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

Cash settled share based payments

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

h. Taxation :

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

Current tax

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

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a

Notes to the Financial Statement

for the year ended 31 March 2019

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.

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 reposnsible for allocating resources to and assessing the performance of the operating segments. The highest decision making body is Managing Director.

Notes to the Financial Statement

for the year ended 31 March 2019

l. Earnings per share

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 1 - PROPERTY, PLANT AND EQUIPMENT

Rs. in lakhs

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

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 2 - OTHER INTANGIBLE ASSETS

Rs. in lakhs

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

Rs. in lakhs

Description of Assets		Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at 1 April 2017	25.65	25.65
	Additions from separate acquisitions	129.20	129.20
	Balance as at 31 March 2018	**154.85**	**154.85**
II.	**Accumulated depreciation and impairment**		
	Balance as at 1 April 2017	2.11	2.11
	Amortisation expense 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**

NOTE NO. 3 - INVESTMENTS

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 4 - LOANS

Rs. in lakhs

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

NOTE NO. 5 - OTHER FINANCIAL ASSETS

Rs. in lakhs

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

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

NOTE NO. 6 - CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Rs. in lakhs

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

(b) Income tax recognised in other Comprehensive income

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

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

Rs. in lakhs

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

(d) Movement in deferred tax balances

Rs. in lakhs

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

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 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**

NOTE NO. 7 - OTHER ASSETS

₹ In Lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 8 - TRADE RECEIVABLES

Rs. in lakhs

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

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

NOTE NO. 9 - CASH AND BANK BALANCES

Rs. in lakhs

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

NOTE NO. 10 - EQUITY SHARE CAPITAL

Particulars	31 March 2019		31 March 2018	
	No. of shares	Rs. In Lakhs	No. of shares	Rs. In Lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	1,50,00,000	1,500.00	35,00,000	350.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	1,03,09,280	1,030.93	25,77,320	257.73
Total	**1,03,09,280**	**1,030.93**	**25,77,320**	**257.73**

Notes to the Financial Statement

for the year ended 31 March 2019

(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	Closing Balance
(a) Equity Shares with Voting rights*					
Year ended 31 March 2019					
No. of Shares	25,77,320	-	77,31,960	-	1,03,09,280
Amount	257.73	-	773.20	-	1,030.93
Year ended 31 March 2018					
No. of Shares	2,577,320	-	-	-	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 March 2019			
Mahindra and Mahindra Financial Services Limited, the Holding Company	82,47,424	-	-
As at 31 March 2018			
Mahindra and Mahindra Financial Services Limited, the Holding Company	20,61,856	-	-

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

Class of Shares/Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Financial Services Limited	82,47,424	80%	20,61,856	80%
Inclusion Resource Pte Limited	20,61,856	20%	5,15,464	20%

Notes to the Financial Statement

for the year ended 31 March 2019

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

Particulars	Aggregate number of shares				
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
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	77,31,960	-	-	-	-
c. Shares bought back	-	-	-	-	-

(v) Issue/ Transfer of shares

31 March 2018

As per revised pricing guidlines 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 (Rs. 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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 11 - OTHER EQUITY

Description of the Nature and Purpose of Other Equity

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

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

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

Details of dividend paid/proposed

Rs. in lakhs

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

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

NOTE NO. 12 - PROVISIONS

Rs. in lakhs

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

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

NOTE NO. 13 - TRADE PAYABLES

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 14 - OTHER FINANCIAL LIABILITIES

Rs. in lakhs

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

NOTE NO. 15 - OTHER LIABILITIES

Rs. in lakhs

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

NOTE NO. 16 - REVENUE FROM OPERATIONS

Rs. in lakhs

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

NOTE NO. 17 - OTHER INCOME

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 18 - EMPLOYEE BENEFITS EXPENSE

Rs. in lakhs

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

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

Cash-settled share-based payments

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

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

NOTE NO. 19 - OTHER EXPENSES

Rs. in lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Distribution fees*	8,632.22	3,352.15
(b) Power & fuel	74.21	49.66
(c) Rent including lease rentals	531.41	406.57
(d) Rates and taxes	19.35	17.42
(e) Insurance	238.03	251.75
(f) Postage, Telephone and Communication	173.68	197.10
(g) Software Charges	1.29	3.85
(h) Repairs - Others	124.95	22.31
(i) Administration Support Charges	162.87	165.62
(j) Manpower Contracting Charges	361.39	232.97
(k) Advertisement	4.34	-
(l) Miscellaneous expenses	820.46	718.44
(m) Sales promotion expenses	109.09	92.18
(n) Travelling and Conveyance Expenses	679.49	542.51
(o) Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013.	160.33	152.79
(p) Doubtful trade and other receivables written off	81.25	105.78
(q) Auditors remuneration and out-of-pocket expenses	16.11	15.06
(i) As Auditors	5.00	5.00
(ii) For Taxation matters	2.50	2.50
(iii) For Other services	8.03	7.35
(iv) For reimbursement of expenses	0.58	0.21
(r) Directors' Commission#	14.00	146.01
(s) Directors' Sitting Fees	6.40	7.74
(t) Legal and other professional costs	348.59	163.95
(u) Loss on sale of property, plant and equipments	6.21	-
(v) Loss on foreign exchange	17.43	1.96
Total Other Expenses	**12,583.10**	**6,645.82**

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 20 - EARNINGS PER SHARE

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	Per Share	Per Share
Basic Earnings per share	69.35	51.98
Diluted Earnings per share	69.35	51.98

Basic earnings per share

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

Rs. in lakhs

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Profit / (loss) for the year attributable to owners of the Company	7,149.39	5,358.86
Less: Preference dividend and tax thereon		
Profit / (loss) for the year used in the calculation of basic earnings per share	7,149.39	5,358.86
Weighted average number of equity shares (nos)	1,03,09,280	1,03,09,280
Earnings per share - Basic	69.35	51.98

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

Diluted earnings per share

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

Rs. in lakhs

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Profit / (loss) for the year used in the calculation of basic earnings per share	7,149.39	5,358.86
Add: Adjustments, if any	-	-
Profit / (loss) for the year used in the calculation of diluted earnings per share	7,149.39	5,358.86
Profits used in the calculation of diluted earnings per share	7,149.39	5,358.86

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

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Weighted average number of equity shares used in the calculation of Basic EPS	1,03,09,280	1,03,09,280
Add: Effect of Warrants, if any	-	-
ESOPs, if any	-	-
Convertible bonds, if any	-	-
Others if any	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	1,03,09,280	1,03,09,280

NOTE NO. 21 - ISSUE OF BONUS SHARES

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 22 - FINANCIAL INSTRUMENTS

Capital management

The company's capital management objectives are:

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

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

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

Rs. in lakhs

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

Categories of financial assets and financial liabilities

As at 31 March 2019

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

As at 31 March 2018

Rs. in lakhs

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

Financial Risk Management Framework

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

CREDIT RISK

(i) Credit risk management

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

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

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

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

The loss allowance provision is determined as follows:

As at March 31, 2019

Rs. in lakhs

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

As at March 31, 2018

Rs. in lakhs

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

Reconciliation of loss allowance provision for Trade Receivables

Rs. in lakhs

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

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

LIQUIDITY RISK

(i) Liquidity risk management

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

Notes to the Financial Statement

for the year ended 31 March 2019

Rs. in lakhs

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

(iii) Financing arrangements

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

(iv) Maturities of financial assets

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

Rs. in lakhs

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

MARKET RISK

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

Currency Risk

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

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

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

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

Foreign Currency Sensitivity

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

Interest rate risk

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

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

Interest rate sensitivity

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

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

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 23 - FAIR VALUE MEASUREMENT

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

Rs. in lakhs

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

Fair value hierarchy as at 31 st March 2019

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

Fair value hierarchy as at 31 st March 2018

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

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.

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 24 - LEASES

Rs. in lakhs

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

NOTE NO. 25 - SEGMENT INFORMATION

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

Rs. in lakhs

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

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

Revenue from major products and services

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

Rs. in lakhs

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 26 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan

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

(b) Defined Benefit Plans:

Gratuity

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

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

Asset volatility

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

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

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

Changes in bond yields

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

Inflation risk

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

Life expectancy

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

Notes to the Financial Statement

for the year ended 31 March 2019

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

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

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

Rs. in lakhs

Particulars	Funded Plan Gratuity	
	2019	2018
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	90.58	75.87
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	16.41	(0.25)
Components of defined benefit costs recognised in profit or loss	**106.99**	**75.62**
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amunt included in net interest expense)	-	-
Actuarial gains and loss arising from changes in financial assumptions	-	-
Actuarial gains and loss arising from experience adjustments	62.00	200.61
Others	-	-
Componenets of defined benefit costs recognised in other comprehensive income	**62.00**	**200.61**
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	715.12	563.39
2. Fair value of plan assets as at 31st March	392.35	343.42
3. Surplus/(Deficit)	322.77	219.97
4. Current portion of the above	77.44	77.27
5. Non current portion of the above	245.33	142.70
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	563.39	292.76
2. Add/(Less) on account of Scheme of Arrangement/Business		-
Transfer		
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	90.58	75.87
- Past Service Cost	-	-
- Interest Expense (Income)	42.03	21.55

Notes to the Financial Statement

for the year ended 31 March 2019

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

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

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

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

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

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

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

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

Maturity profile of defined benefit obligation:

Rs. in lakhs

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

VIII. Experience Adjustments :

Rs. in lakhs

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

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

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

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

NOTE NO 27: EMPLOYEES SHARE BASED PAYMENTS (EMPLOYEES PHANTOM STOCK OPTION PLAN 2019)

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

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

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

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

Movement of Phantom stock options during the year

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

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

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

Annex 2

Requirements under Companies Act, 2013

Summary of Status of EPSOPs Granted

The position of the existing schemes is summarized as under -

Sr. No.	Particulars	Employees Phantom Stock Option Plan 2019
I.	**Details of the EPSOP**	
1	Date of Shareholder's Approval	18-Jan-19
2	Total Number of Options approved	515,464
3	Vesting Requirements	As per vesting schedule
4	ExercisePrice or Pricing formula (Rs.)	₹ 10.00
5	Maximum term of Options granted (years)	4 years
6	Source of shares	
7	Variation in terms of ESOP	N.A
II.	**Option Movement during the year**	
1	No. of Options Outstanding at the beginning of the year	0
2	Options Granted during the year *	307,231
3	Options Forfeited	1,850
4	Options Lapsed during the year	0
5	Options Vested during the year	0
6	Options Exercised during the year	0
7	Total number of shares arising as a result of exercise of options	0
8	Money realised by exercise of options (Rs.)	0
9	Number of options Outstanding at the end of the year	305,381
10	Number of Options exercisable at the end of the year	0
	* Options granted during the year include 9015 options grated to eligible employees of Parent Company.	
	Cost of options granted to elibile employees of Parent Company is debited to Professional Fees A/C	
III	**Weighted average exercise price of Options granted during the year whose**	
(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	10.00
	Weighted average fair value of options granted during the year whose	
(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	1,454.70

The weighted average market price of options exercised during the year No Options Exercised during the year

Notes to the Financial Statement

for the year ended 31 March 2019

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

(i) Senior managerial personnel :

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

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

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

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

Name	No. of options granted
Not Applicable	NIL

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

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

The Assumptions used in the model are as follows:

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

Assumptions:

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

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

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

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

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 28 - RELATED PARTY TRANSACTIONS

Name of the parent Company	: Mahindra & Mahindra Financial Services Limited
Name of the Ultimate parent Company	: Mahindra & Mahindra Limited
Name of the Fellow subsidiaries	: Mahindra Rural Housing Finance Limited
	: Mahindra Integrated Business Solutions Limited
	: Mahindra First Choice Wheels Limited
	: N.B.S. International Limited
	: Mahindra Agri Solutions Limited
	: Mahindra Consulting Engineers Limited
Key Management Personnel (KMP)	: Dr. Jaideep Devare, Managing Director
	: Rupa Joshi, Company Secretary
	: Saurabh V. Dharadhar, Chief Financial Officer (w.e.f 18-07-2018)
Directors	: Rajeev Dubey, Chairman
	: Ramesh Iyer, Non Executive Director
	: V Ravi, Non Executive Director
	: Hemant Sikka, Non Executive Director
	: Nityanath Ghanekar, Independent Director
	: Anjali Raina, Independent Director
	: Derek Nazareth, Nominee Director

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

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

Rs. in lakhs

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

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

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

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

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

NOTE NO. 29 - REVENUE FROM CONTRACT WITH CUSTOMERS

A. Country-wise break up of Revenue

31-Mar-19

Rs. in lakhs

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

31-Mar-18

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

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

Rs. in lakhs

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

C. Reconciliation of revenue from contract with customer

Rs. in lakhs

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

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

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

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

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 30 - INCOME RECEIVED FROM INSURER AND INSURER'S GROUP COMPANIES

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

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

Rs. in lakhs

Particulars	Year Ended 31 March 2019
Tata AIG General Insurance Co Ltd	3,352.70
ICICI Lombard General Insurance Ltd	2,417.69
New India Assurance Co Ltd	1,560.66
Oriental Insurance Co Ltd	1,551.09
Royal Sundaram Alliance Insurance Co Ltd	1,451.00
Iffco Tokio General Insurance Co Ltd	1,150.79
Bharti Axa General Insurance Co Ltd	857.66
Liberty Videocon General Insurance Co Ltd	814.11
United India Insurance Co Ltd	793.65
Cholamandalam MS General Insurance Co Ltd	691.48
Bajaj Allianz General Insurance Co Ltd	453.24
HDFC Ergo General Insurance Company Limited	292.69
Future Generali Insurance Co Ltd	229.33
National Insurance Co Ltd	183.08
Sogaz Insurance	113.61
Others	773.76
Total Revenue	**16,686.54**

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

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

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

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

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

Rs. in lakhs

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

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

Rs. in lakhs

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

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 31 - CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities (to the extent not provided for)

Rs. in lakhs

	As at 31 March 2019	As at 31 March 2018
Contingent liabilities	-	-

Rs. in lakhs

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

NOTE NO. 32- ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

Dividend

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

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

Rs. in lakhs

Particulars	31-Mar-19	31-Mar-18
(i) Principal amount remaining unpaid to MSME suppliers as on	-	-
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

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

Corporate Social Responsibility (CSR)

Rs. in lakhs

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

Notes to the Financial Statement

for the year ended 31 March 2019

NOTE NO. 33 - PREVIOUS YEAR FIGURES

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

NOTE NO. 34 - RECENT ACCOUNTING PRONOUNCEMENTS

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

Ind AS 116 – 'Leases':

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

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

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

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