

# Notice

**NOTICE** is hereby given that the 21<sup>st</sup> (Twenty-First) Annual General Meeting of the Members of Aditya Birla Insurance Brokers Limited (the Company / your Company) will be held on Monday, August 07, 2023 at 3:00 pm (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses.

## ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company comprising of Revenue Account, Profit and Loss Account and Cash Flow Statement of the Company for the year ended March 31, 2023, and the Balance Sheet as at that date, together with the Reports of the Board of Directors and Statutory Auditors thereon and in this regard, to consider and if thought fit, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to section 139 of the Companies Act, 2013 the Audited Financial Statements of the Company comprising of Revenue Account, Profit and Loss Account and Cash Flow Statement of the Company for the year ended March 31, 2023, and the Balance Sheet as at that date, together with the Reports of the Board of Directors, Management and Statutory Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2. To appoint Mr. Askaran Agarwala (DIN: 00023684), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Askaran Agarwala (DIN 00023684) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board  
**For Aditya Birla Insurance Brokers Limited**

**Jaibind Kumar Sahu**  
Company Secretary

Date: April 26, 2023  
Place: Mumbai

## Corporate Office:

One World Centre, Tower 1, 7<sup>th</sup> Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai – 400 013

## NOTES:

1. Item No. 2 of the Notice: The Company has determined retiring director and his eligibility for re-appointment under Section 152 of the Act. The Profile of the Director seeking re-appointment is annexed to this Notice.
2. Bodies corporate can be represented at the Meeting by such person(s) as are authorised. Copies of resolution under Section 113 of the Companies Act, 2013, authorising such person(s) to attend the Meeting should be forwarded to the Company prior to the Meeting.
3. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
4. M/s. S. B. Billimoria & Co. LLP, (ICAI Firm Registration No. 101496W/W100774) Chartered Accountants have confirmed their eligibility for appointment as Statutory Auditors for the FY 2023-24. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the same, ratification of the Members for continuance of appointment of M/s. S. B. Billimoria & Co. LLP, (ICAI Firm Registration No. 101496W/W100774) Chartered Accountants at this ensuing 21<sup>st</sup> Annual General Meeting is not being sought.

The Company has ensured about the independence of the Statutory Auditors as required under the Companies Act, 2013 and sought the declarations as required under the Act. The Statutory Auditors are eligible to continue with their appointment/re-appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

5. All documents referred to in the Notice and the Explanatory Statement, and requiring Members' approval, and such statutory records and registers, as are required to be kept open for inspection under the Companies Act, 2013, will



be available for inspection in electronic form on the day of the Meeting.

6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection in electronic form on the day of the Meeting.
7. The Ministry of Corporate Affairs, Government of India (“MCA”) has vide its circular dated 28 December 2022, read with circulars dated 13 January 2021, 5 May 2020, 13 April 2020 and 8 April 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM” or “Meeting”) through Video Conferencing facility/ Other Audio Visual Means (“VC/ OAVM”), on or before 30 September 2023, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), and MCA Circulars, the 21<sup>st</sup> AGM of the Company is being held through VC/OAVM.
8. In line with the MCA Circular No.10/2022 dated 28<sup>th</sup> December, 2022, the Notice calling the AGM and the Annual Report for the financial year 2022-23 has been uploaded on the website of the Company at [www.adityabirlainsurancebrokers.com](http://www.adityabirlainsurancebrokers.com)
9. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed with restrictions on movement of persons at several places in the Country, the VC/ OAVM facility being provided to the Members of the Company, the facility to appoint proxy to attend and cast vote for the Members is not available for this 21<sup>st</sup> Annual General Meeting and hence the Proxy Form is not annexed hereto.

- Members/ invites are requested to join the Meeting at least 15 minutes in advance via MS Teams Meeting invite, through their respective Laptops for better experience, from their home/ office location.
- Please download the Microsoft Teams App and test the link in advance before the start of the Meeting.
- Please ensure the Wi-Fi/Dongle/Hotspot/Router/ LAN etc. is up and running with good speed during the whole duration of the Meeting.
- In case of any loss of signal/drop out due to any technical glitch please re-join and confirm your presence at the earliest.
- No person other than the invited participants should have access to this e-meeting.
- At the start of the Meeting, Members are required to keep video on so that the Company Secretary can complete the roll call.
- The Company Secretary will undertake roll call to seek a confirmation on the presence of all the Members/ Invitees/ Directors
- The entire Meeting proceedings will be recorded.
- The Company Secretary/ Organizer shall keep all the participants on mute by default at the start of the meeting and the respective participants/ Members can unmute themselves at the time of speaking.
- Every participant shall identify himself/ herself at the time of making speaking on any query.
- To ensure smooth and orderly flow of the meeting, it is recommended that all questions/comments may be raised after the completion of presentation particular agenda item.

If Member/ invitee need any assistance during the meeting he/ she can reach out to Organizer and team members as details given below: (Help line Numbers)

|                        |                         |                |
|------------------------|-------------------------|----------------|
| Mr. Jaibind Kumar Sahu | Company Secretary       | +91 9022827188 |
| Mr. Gaurav Verma       | Secretarial Team Member | +91 9167404613 |

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 21<sup>ST</sup> ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS FOLLOWS:**

The Members are requested to adhere to the following General Guidelines during the Meeting in order to ensure smooth virtual meeting:

- The Members requested to access the link (MS Teams Link) sent to their respective email ids to join the Meeting.

**Item No. 2**

|                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                                                                                                                                                                                          | <b>Mr. Askaran Agarwala</b><br><b>Non - Executive Director</b><br><b>(DIN 00023684)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Qualification                                                                                                                                                                                        | Chartered Accountant, LLB and B.com                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Expertise in specific functional Area                                                                                                                                                                | Financial and Manufacturing Sector                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Date of Birth/ Age                                                                                                                                                                                   | July 01, 1933                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Date of First Appointment on Board                                                                                                                                                                   | November 08, 2006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Brief Details                                                                                                                                                                                        | <p>Mr. Askaran Agarwala has been associated with the Aditya Birla Group, specifically with Hindalco Industries Ltd., for over 52 years. He currently serves on the Board of Hindalco Industries Limited, Aditya Birla Health Services Ltd., and several other companies within the Aditya Birla Group. In addition, he is actively involved in various projects under the Aditya Birla Centre for Community Initiatives &amp; Rural Development, as well as numerous important, strategic, and sustainability initiatives and activities of the Group.</p> <p>Mr. Agarwala joined Hindalco Industries Limited in 1959, right from its inception. Over his extensive tenure of more than 52 years, he has witnessed the growth of the Aluminum Industry in India from its early stages. Through his leadership, Hindalco has emerged as one of the most cost-efficient producers of aluminum worldwide. He possesses comprehensive knowledge of the technological and commercial aspects of the industry.</p> <p>Educationally, Mr. A.K. Agarwala holds a degree in Commerce and Law from Calcutta University. He is also a Fellow Member of the Institute of Chartered Accountants of India.</p> <p>Furthermore, Mr. Agarwala served as the President of the Aluminum Association of India for over four years and held the position of Vice-Chairman of the International Aluminum Institution for a significant period. Additionally, he has actively contributed to various committees established by both the State and Central Governments.</p> |
| Details of Remuneration sought to be paid                                                                                                                                                            | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Remuneration last drawn                                                                                                                                                                              | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Relationship with other Director/ Managers and KMP's                                                                                                                                                 | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Number of Board Meetings attended during the year                                                                                                                                                    | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Directorship held in other Companies including Public Limited Companies (in India) in which outside Directorships held as on March 31, 2023                                                          | <p>Hindalco Industries Limited</p> <p>Udyog Upskill Limited</p> <p>P.T. Elegant Industry</p> <p>P.T. Indo-Bharat Rayon</p> <p>Aditya Birla Health Services Private Ltd</p> <p>Swiss Singapore Overseas Pte Ltd</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Status of Membership/ Chairmanship of other companies Committees (includes only Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee) as on March 31, 2023 | Member in Stake holder Relationship Committee of Hindalco Industries Ltd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Number of Shares held in the Company                                                                                                                                                                 | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



The Board recommends the Resolution for approval of the Members as an Ordinary Resolution as set out in the Item No. 2 of the notice for the appointment of Mr. Askaran Agarwala as a Director, liable to retire by rotation.

Except Mr. Askaran Agarwala, being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

By Order of the Board  
**For Aditya Birla Insurance Brokers Limited**

**Jaibind Kumar Sahu**  
Company Secretary

Date: April 26, 2023

Place: Mumbai

**Corporate Office:**

One World Centre, Tower 1, 7<sup>th</sup> Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai – 400 013

# Management Discussion and Analysis

## OVERVIEW OF ECONOMY

The Indian insurance industry earned a total premium of ₹ 6.27 lakh crores for FY 2022-23 of which ₹ 3.70 lakh crores were from Life Insurance segment (First year premium) and ₹ 2.57 lakh crores were from the General Insurance segment. The sheer size and growth potential due to low penetration and growing economy makes it one of the most attractive investment opportunities. However, penetration and density have remained low, indicating the need to address challenges, which impede growth.

The Chairman at IRDAI has set ambitious targets for the General Insurance industry to reach premium of ₹ 11.73 lakh crores by FY27 in line with the goal of “Insurance for all by 2047”. The insurance regulator stated that it is working on a three-pronged approach — availability, accessibility and affordability - to make sure that every Indian has insurance by 2047.

IRDAI has also introduced a slew of reforms ranging from a capping of expense of management (EOM) for insurers, de-tariffication of certain policy wordings and plans to set up an online aggregator portal called Bima Sugam.

Gross Premium underwritten by the Non-Life Insurers in India has grown by 16% from ₹ 2,20,700 Crore in FY 2021-22 to ₹ 2,56,912 Crore in FY 2022-23 (Source: GIC Council). Health insurance continues to be the largest insurance segment buoyed by a growth in Group Health Premiums (26% YoY), Govt. Health schemes (41% YoY) and Retail Health (15% YoY). Hence the top 4 contributors in Non-Life Industry Premium were Health Insurance, Motor Insurance (OD & TP), Crop Insurance and Fire Insurance segments respectively with about 35%, 32%, 12% and 9% share respectively. While Property segment showed a YoY growth of 11%, Health segment showed a robust YoY growth of 23% mainly on account of hardened premiums due to high claims made on the Group Insurance front coupled with sustained demand for retail Health Insurance Policies and increased government spending on Health Insurance. Motor Insurance bounced back with 15% growth with rebound in automotive sales post resolution of the industry wide semi-conductor shortage challenge. (Source: GI Council).

Aditya Birla Insurance Broker Ltd.'s. (“ABIBL” OR the Company) Direct General insurance premium placement shrank by 1%

from ₹ 5,452 Crore to ₹ 5,406 Crore. The main contributor for premium placement, Motor Insurance premium, showed a de-growth of 6% YoY owing to loss of business due to competitive forces, however the corporate segment showed a good performance with Property premium growing by 37% YoY and Health Premium growing by 21%.

ABIBL's overall premium shrank by 2% from ₹ 5,687 Crore to ₹ 5,598 Crore and revenue shrank by 10% from ₹ 693 Crore to ₹ 622 Crore; however profitability (PBT) increased by 13% from ₹ 86.02 crore to ₹ 97.26 Crore, another record high on account of improved margins in the Retail & Reinsurance segment due to cost efficiencies and higher productivity.

## OUTLOOK

Insurance broking is the only channel, which represents customers and not insurers. The unique role of the broking channel is recognized by the regulator, insurers and customers. Despite the robust growth over the years, penetration and density have continued to remain low and impede higher growth, indicating the need to address challenges. Although the broking channel is still evolving it is currently the only channel that continues to meet risk management requirements of customers comprehensively.

ABIBL is among the top 5 insurance brokers (by FY22 Revenue) and one of the only brokers to have a strong presence in the Corporate, Retail and Reinsurance lines of business.

### Customer Acquisition

In the corporate vertical, ABIBL follows a region specific, industry specific client acquisition strategy by actively engaging with potential customers much before their renewal dates to showcase ABIBL's strong value proposition.

### Customer Service & Customer Value

ABIBL places strong emphasis on retention of its clients across the Corporate, Retail & Reinsurance lines of business. Client retention is a testimony of quality and quantum of services & customer value created across the lifecycle of the customer. ABIBL's strong relations with insurers, robust internal processes and digital tools to empower the customers ensure customers enjoy a superlative servicing experience pre-placement, post placement and in claims servicing.



### Customer Analytics

Dedicated efforts are being made to leverage data analytics to improve customer experience across servicing parameters and renewals.

### Championing Entrepreneurship

Empowering teams especially young leaders with high potential to take on challenging & new roles helps to foster an environment of passion and entrepreneurship

### Growth

Various initiatives have been implemented for enhancing corporate business by targeting large corporate clients through its sector specific approach. While the company will be sharpening its focus on the corporate segment – it intends to grow by upselling more products and increasing its share of wallet of its existing customers. Further, digital platforms across Sales and servicing are being strengthened to support the next growth wave for the company and to keep it agile in the face of competition.

### Technology

ABIBL's key strength lies in its robust technology infrastructure for driving growth, better customer servicing and operational efficiency along with its highly structured and standardized processes and technical expertise. Further ABIBL has been utilizing the post-covid scenario to capitalize and build on its digital assets which are used across all the lines of business by several stakeholders.

### Resilience

Despite being a challenging year, ABIBL has once again scaled new heights having shown superlative financial results in its Premium, Revenue & profitability displaying the zeal and resilience of each of its employees. Although ABIBL is currently facing headwinds in its Retail motor Insurance segment due to a play of competitive forces, it continues to push for higher retention and rollover of retail motor insurance customers through a slew of digital initiatives, showing its resilience to changing market dynamics.

# Board's Report

Dear Members,

The Board of Directors of **Aditya Birla Insurance Brokers Limited** (“the Company” or “ABIBL”) is pleased to present the **21<sup>st</sup> (Twenty - First) Annual Report** and the **Audited Financial Statements** of your Company for the Financial Year ended **March 31, 2023** (“Financial Year under review”).

## FINANCIAL SUMMARY AND HIGHLIGHTS

Your Company's financial performance for the Financial Year ended March 31, 2023 as compared to the previous Financial Year ended March 31, 2022 is summarized below:

|                                 | (₹ in Crore)  |               |                |
|---------------------------------|---------------|---------------|----------------|
| Particulars                     | FY 2022-23    | FY 2021-22    | Inc. (%)       |
| Revenue from Operations         | 607.14        | 684.52        | -11.30%        |
| Other Income                    | 14.40         | 8.11          | 77.53%         |
| <b>Total Income</b>             | <b>621.54</b> | <b>692.63</b> | <b>-10.26%</b> |
| <b>Total Expenses</b>           | <b>524.28</b> | <b>606.61</b> | <b>-13.57%</b> |
| Profit before tax               | 97.26         | 86.02         | 13.07%         |
| Tax Expenses                    | 24.68         | 21.96         | 12.38%         |
| <b>Profit /(Loss) after tax</b> | <b>72.58</b>  | <b>64.06</b>  | <b>13.31%</b>  |

The above figures are extracted from the Financial Statements prepared in accordance with Indian Accounting Standards (“Ind AS”) as notified under Sections 129 and 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

The financial statements of the Company are consolidated with those of Aditya Birla Capital Limited (“ABCL”), the Holding Company which has adopted Ind-AS. The Company has also prepared and submitted to ABCL, the financial statements in Ind-AS Fair Value format.

### Highlights of the Company's performance for the Financial Year ended March 31, 2023, are as under:

The Company has achieved total income of ₹ 621.54 Crore in FY 2022-23 as compared to ₹ 692.63 Crore in FY 2021-22. The net profit was ₹ 72.58 Crore in FY 2022-23 as compared to ₹ 64.06 Crore in FY 2021-22, an increase of 13.31%.

## ACCOUNTING METHOD

### Implementation of Indian Accounting Standards (Ind-AS)

The financial statements of the Company have been prepared in accordance with the Accounting Standards notified under Sections 129 and 133 of the Act, read with the Companies (Accounts) Rules 2014, the Companies (Indian Accounting Standards) Rules, 2015, as amended, from time to time (“Ind AS”).

In accordance with the provisions of the Act and applicable Accounting Standards, Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Auditors' Report form part of this Annual Report.

## MATERIAL EVENTS DURING THE YEAR

### Execution of Share Purchase Agreement with Edme Services Private Limited (A Group Company of Samara Capital)

The Board of the Company had previously granted in-principle approval for the execution of a non-binding term sheet and commencement of due diligence in connection with the proposed transaction during a meeting held on August 02, 2022. Following the completion of due diligence, it was proposed that the Board consider the transaction with Aon plc and Samara Alternate Investment Fund (“Samara Capital”) based on commercial considerations and instructions received from Aditya Birla Capital Limited - the Company's Holding Company.

On March 27, 2023, the Board of Aditya Birla Capital Limited in its meeting considered and approved a proposal the sale of its entire stake in Aditya Birla Insurance Brokers Limited (a non-material subsidiary of the company) subject to requisite approvals.

Further on March 27, 2023, the Board of Aditya Birla Insurance Brokers Limited in its meeting approved execution of transaction



documents in relation to proposed acquisition of 100% of the paid-up share capital of the Company and connected matters

Accordingly, a Share Purchase Agreement was executed with Edme Services Private Limited (A Group Company of Samara Capital on March 27, 2023, effecting the sale of 51,30,000 (Fifty-One Lakhs Thirty Thousand) equity shares ₹ 10/- (Rupees Ten), representing 100% of the issued and paid up share capital of Aditya Birla Insurance Brokers Limited (“Company”) held by Infocyper India Private Limited and Aditya Birla Capital Limited (along with its nominee shareholders) (collectively, “Sellers”) to Edme Services Private Limited (“Purchaser”) an affiliate of Samara Alternate Investment Fund, (“Proposed Transaction”) as contemplated under the share purchase agreement proposed to be executed between the Company, Purchaser and Sellers (“Agreement”).

The Company had submitted the application and sought in principle approval from IRDA on the proposed transaction as above referred along with connected matters on key terms and conditions referred in the executed SPA.

## **HOLDING/SUBSIDIARIES/JOINT VENTURES/ ASSOCIATES COMPANIES**

### **Holding Company**

During the Financial Year under review, Grasim Industries Limited remains the ultimate Holding Company and Aditya Birla Capital Limited continues to be the Holding Company of the Company. Grasim Industries Limited and Aditya Birla Capital Limited are listed at BSE Limited, National Stock Exchange of India Limited and Luxembourg Stock Exchange.

### **Subsidiary Company**

The Company doesn't have any Subsidiary Company.

### **Joint Ventures/Associate Companies**

During the Financial Year under review, the Company doesn't have any Joint Venture/Associate Company.

## **TRANSFER TO RESERVE**

During the Financial Year under review, the Company has not transferred any amount to General Reserves.

## **DIVIDEND**

During the Financial Year under review, the Company has declared an Interim dividend at the rate of ₹ 117/- per share on March 27, 2023, on 51,30,000 fully paid-up equity shares of ₹ 10/- each amounting to an aggregate of ₹ 60,02,10,000/- which have been paid to the equity shareholders of the Company.

## **SHARE CAPITAL**

As on March 31, 2023, the Company's paid-up Equity Share Capital was ₹5.13 Crore divided into 51,30,000 Equity Shares of ₹10 each.

## **DEPOSITORY**

As on March 31, 2023, out of the Company's total equity paid-up share capital comprising of 51,30,000 Equity Shares, 51,29,637 Equity Shares, were held in dematerialized mode.

## **RESOURCE MOBILISATION**

During the Financial Year under review, no funds have been mobilised by way of Non-Convertible Debentures (NCD), Term Loans / Working Capital Demand Loan (WCDL) from banks or through Commercial Paper.

## **PUBLIC DEPOSITS**

The Company has not accepted any deposits from public during the Financial Year under review in accordance with Section 73 of the Act read with the rules framed thereunder.

## **PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN OR SECURITY PROVIDED**

The particulars of loans given, investments made, guarantees given or security provided under provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, are given under notes to the Financial Statements, which forms part of this Annual Report.

## **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The particulars with respect to the conservation of energy and technology absorption as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure I to this report.



## FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

There was foreign exchange earning of ₹ 3.43 Crore during the Financial Year under review as compared to ₹ 1.28 Crore during the previous Financial Year. The foreign exchange expenditure during the Financial Year under review was ₹ 0.47 Crore as compared to ₹ 0.17 Crore, during the previous Financial Year.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company from end of the Financial Year up to the date of this Report.

## CHANGE IN NATURE OF BUSINESS

During the Financial Year under review, there has been no change in the nature of business of the Company.

## EMPLOYEE STOCK OPTION PLAN

Employee Stock Options have been recognised as an effective instrument to attract talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to share in the growth of the Company and to create long term wealth in the hands of employees, thereby and acting as a retention tool.

In view of the above, ABCL had formulated "Aditya Birla Capital Limited Employee Stock Option Scheme 2017" ("Scheme 2017") for the employees of the Company and its Subsidiaries. The shareholders of ABCL, vide their resolution passed on 19<sup>th</sup> July 2017 had also extended the benefits and coverage of the Scheme 2017 to the employees of its Subsidiary Companies. However, no Stock Options and RSUs were granted to the employees of the Company in FY 2022-23.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis for the Financial Year under review, is presented as a separate section, which forms part of this Annual Report.

## REPORT ON CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance. Corporate Governance

principles form an integral part of the core values of the Company. The Directors re-affirm their commitment to the Corporate Governance Standards to the extent they are applicable to the Company.

For the Financial Year under review, all the Board of Directors have affirmed compliance with the Code of Conduct of the Company.

The Company also affirms that:

- (a) necessary declaration with respect to independence has been received from all the Independent Directors of the Company.
- (b) the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

## RISK MANAGEMENT FRAMEWORK

Risk Management is at the core of our business and ensuring we have the right risk-return trade-off in keeping with our risk appetite is the essence of our risk management practice. The Company has a robust Risk Management framework which proactively addresses risks while looking to optimize the returns that go with that risk.

The objectives and scope of the Risk Management Framework broadly include:

- Risk identification;
- Risk Assessment;
- Risk Response and Risk Management strategy; and
- Risk monitoring, communication, and reporting.

Our business processes have significant reliance upon IT systems and manual processes which need continuous monitoring and risk management. The above framework helps your Company to mitigate such risks. The Company also continuously monitors operational loss events and ensures adequate corrective actions for high impact events to avoid repetition of such instances. Your Company conducts due diligence and risk assessment of our material outsourced vendors to mitigate Outsourcing risk.

Your Company has procured insurance policies to cover our



assets against losses from fire, burglary and risks to property. The Company also has a group term insurance policy, a group personal accident policy and a group health insurance policy to cover death or medical expenses incurred by our employees during hospitalisation, for any illness or injury suffered. Your Company has procured Professional Indemnity policy to cover any errors, omissions or negligence on the part of the Company and its employees and directors.

Over the years, the Company has built a strong Risk Management Framework supported by well-established policies and implemented by an independent Risk & Compliance Team.

The organizational structure to address its risks consists of “Three lines of defense”:

**First is:** Line Management (Functional Heads) to ensure that accountability and ownership is as close as possible to the activity that creates the risks.

**Second is:** Risk Oversight - Risk and Compliance Function.

**Third is:** Independent Assurance - Internal Audit, conducted by Independent Internal Auditors, whose work is reviewed by the Audit Committee.

The Audit Committee has been set up to ensure among other things, monitoring of risks and Governance. The Committee is governed by the Internal Audit Charter.

### Business Continuity

The Company and its Subsidiaries have well-documented Business Continuity Management Programmes which have been designed to ensure continuity of critical processes during any disruption. A robust Disaster Recovery framework has been put in place to ensure uninterrupted operations and service to customers.

In view of the increased move to digital modes of business and adoption of new technologies, there was an enhanced focus on Cyber Security and the Company continued to invest in a strong Cyber Defence Programme.

The Risk management team of your Company keeps a constant vigil on the emerging Risk landscape and revisits its strategies to deal with these risks and also to capitalise upon the opportunities presented in the new scenario regularly.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the Financial Year under review, all transactions entered into by the Company with related parties were in the ordinary course of business and on an arm’s length basis and were not considered material as per the provision of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. Hence, disclosure in form AOC-2 under Section 134(3)(h) of the Act, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014, is not applicable.

Prior omnibus approval of the Audit Committee is obtained for Related Party Transactions (“RPTs”) which are of a repetitive nature and entered into in the ordinary course of business and at arm’s length. A statement on RPTs specifying the details of the transactions pursuant to each omnibus approval granted, is placed on a quarterly basis for review by the Audit Committee.

All related party transactions have been approved by the Audit Committee of the Company and are reviewed on a periodic basis in accordance with the Related Party Transaction Policy.

The details of contracts and arrangements with related parties of the Company for the Financial Year under review, are given in notes to the Financial Statements, which forms part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on the Company’s website at: [www.adityabirlainsurancebrokers.com](http://www.adityabirlainsurancebrokers.com)

### INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that the Company has laid down a set of standards, processes and structure which enables it to implement Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious observation has been observed for inefficacy or inadequacy of such controls.

## Board's Report (Contd.)

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits.

Your Company has well-established internal control systems in place which are commensurate with the nature of its business and size and scale and complexity of its operations. Standard operating procedures (SOP) and Risk Control Matrices are in place designed to provide a reasonable assurance and are being continuously monitored and updated.

In addition to the above, internal audits are undertaken on a periodic basis which independently validate the existing controls as per scope assigned to them. The Internal audit plan is reviewed by the Audit Committee at the beginning of the year to ensure optimum coverage of business areas. Reports of the internal auditors are regularly reviewed by the management and corrective action is initiated to strengthen the controls and enhance the effectiveness of the existing systems. Significant audit observations are presented to the Audit Committee along with the status of management actions and the progress of implementation of recommendations.

The Company also periodically engages outside experts to carry out independent reviews of the effectiveness of various business processes. The observations and best practices suggested are reviewed by the Management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

### INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale, and complexity of its operations with a risk based internal audit approach.

The internal audit plan is developed based on the risk profile of business activities of the organization. The audit plan covers

process audits at the head office and across various branches of the organization. The audits are carried out by an independent external firm. The audit plan is approved by the Audit Committee, which regularly reviews the compliance to the plan.

The Audit Committee at its Meeting held on April 25, 2022 had re-appointed M/s. Protiviti India Member Private Limited as Internal Auditors for the Financial Year 2022-23 and approved their scope and plans for the said Financial Year. The objective of the Internal Audit is to cover the following:

- Review adequacy and effectiveness of operating controls;
- Review adequacy and effectiveness of business processes;
- Review the adequacy of the supervisory control mechanisms;
- Recommend improvements in policies & procedures.

They are also required to report significant observations and recommendations for process improvements for discussion with senior management and Audit Committee of the Board and review and report progress on implementation of the control improvements agreed to be implemented by the management of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act and to the best of their knowledge and belief and according to the information and explanations obtained from the operating management, Directors of the Company state that: -

- i) in the preparation of the Annual Accounts for the Financial Year ended March 31, 2023, the applicable accounting standards have been followed and there were no material departures from the same.
- ii) the Directors had 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 as at March 31, 2023 and of the profit/loss of the Company for Financial Year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding



the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv) the Directors had prepared the Annual Accounts on a 'going concern basis'.
- v) the Directors had laid down Internal Financial Controls and that such Internal Financial Controls were adequate and were operating effectively; and
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws to the Company and that such systems are adequate and operating effectively.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointment/Resignation of Directors

As on March 31, 2023, the Board of Directors of your Company ("the Board") comprised of 5 (Five) Directors which included 1 (One) Woman Director (Non-Executive Director), 2 (Two) Non-Executive Directors and 2 (Two) Independent Directors. Your Directors on the Board possess experience and competency and are renowned in their respective fields. All Directors are liable to retire by rotation except Independent Directors whose term of office is of 5 consecutive years as approved by the Members of the Company at the Annual General Meeting ("AGM") of the Company.

### Retirement by Rotation

Section 152 of the Act provides that unless the Articles of Association provide for retirement of all Directors at every Annual General Meeting, not less than two-third of the total number of Directors of a Public Company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of Directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Mr. Askaran Agarwala (DIN: 00023684) Non-Executive Director retires from the Board by rotation this year and being eligible, offers himself for re-appointment at the 21<sup>st</sup> Annual General Meeting of the Company.

The Nomination and Remuneration Committee of the Company and the Board of Directors have recommended the re-appointment of Mr. Askaran Agarwala.

A detailed profile of Mr. Askaran Agarwala, the Director seeking re-appointment is provided in the Notice of the 21<sup>st</sup> Annual

General Meeting of the Company.

### Declaration by Independent Directors

All Independent Directors have submitted their declaration of independence, pursuant to the provisions of Section 149(7) of the Act stating that they meet the criteria of independence as provided in Section 149(6) of the Act and they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board at its Meeting held on April 26, 2023, has reviewed the declaration of independence received from all the Independent Directors and taken note of the fulfilment of criteria laid down in the regulations.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity.

All Independent Directors of your Company have registered their name in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar in terms of the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### Key Managerial Personnel

In terms of the provisions of Sections 2 (51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dr. Sandeep Dadia, Chief Executive Officer, and Mr. Jaibind Kumar Sahu, Company Secretary (Appointed as Company Secretary w.e.f. April 22, 2023) are the Key Managerial Personnel of the Company (Mr. Vikashh Agarwal and Mr. Jay Gujral resigned from the post as Chief Financial Officer Company Secretary w.e.f. November 28, 2022 and April 17, 2023 respectively).

## ANNUAL PERFORMANCE EVALUATION

The evaluation framework for assessing the performance of the Directors of the Company comprises of contributions at the Meeting(s) and strategic perspective or inputs regarding the growth and performance of the Company, amongst others.

Pursuant to the provisions of the Act and in terms of the Framework of the Board Performance Evaluation, the

## Board's Report (Contd.)

Nomination and Remuneration Committee and the Board of Directors had carried out an annual performance evaluation of the performance of the Board itself, performance of various Committees of the Board and individual Directors.

### Outcome of the evaluation

The Board of your Company was satisfied with the functioning of the Board and its Committees. The Committees are functioning well and besides their terms of reference, as mandated by law, important issues are brought up and discussed in the Committee Meetings. The Board was also satisfied with the contribution of Directors, in their respective capacities, which reflects the overall engagement of the individual Directors.

## MEETINGS OF THE BOARD AND ITS COMMITTEES BOARD

The Board meets at regular intervals to discuss and decide on the Company's performance and strategies. During the Financial Year under review, the Board met 7 (Seven) times.

During the Financial Year under review Meetings of the Board were held on:

- April 25, 2022;
- May 24, 2022;
- July 22, 2022;
- August 02, 2022;
- October 17, 2022;
- January 23, 2023 and
- March 27, 2023.

Further, details on the attendance of the Directors at the Board Meetings and at the last Annual General Meeting are given table below:

| Sr. No. | Name of Directors    | No. of Board Meetings held during the FY 2022-23 |   | Last AGM attendance | Sitting fees paid |
|---------|----------------------|--------------------------------------------------|---|---------------------|-------------------|
| 1       | Mr. A Dhananjaya     | 7                                                | 6 | Yes                 | Nil               |
| 2       | Ms. Archana Maru     | 7                                                | 6 | Yes                 | Nil               |
| 3       | Mr. Askaran Agarwala | 7                                                | 7 | Yes                 | Nil               |
| 4       | Mr. M. M. Bhagat     | 7                                                | 7 | No                  | 5,25,000          |
| 5       | Mr. Vijay Agarwal    | 7                                                | 7 | Yes                 | 5,25,000          |

## COMMITTEES OF BOARD

Following are the Committees of the Board of Directors:

1. Audit Committee
2. Corporate Social Responsibility Committee;
3. Nomination and Remuneration Committee.

## AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee, which acts as a link between the Management, the Statutory and Internal Auditors and the Board. Its composition, powers, role, and scope are in accordance with the applicable provisions of Section 177 of the Act. All members of the Audit Committee are financially literate and have the necessary accounting and related financial management expertise.

The Audit Committee of the Board comprises of 3 (Three) Non-Executive Directors out of which (Two) are Independent Directors.

During the Financial Year under review, the Audit Committee met 5 (Five) times to deliberate on various matters and the gap between any two Meetings was not more than 120 (One Hundred Twenty) days. The necessary quorum was present for all the Meetings.

During the Financial Year under review, Audit Committee Meetings were held on:

- April 25, 2022;
- July 22, 2022;
- October 17, 2022;
- January 23, 2023;
- March 27, 2023



The composition, attendance and sitting fees paid during the Financial Year under review are as follows:

| Sr. No. | Name of Directors | No. of Meetings |          | Sitting fees paid |
|---------|-------------------|-----------------|----------|-------------------|
|         |                   | Held            | Attended |                   |
| 1       | Mr. A Dhananjaya  | 5               | 4        | Nil               |
| 2       | Mr. M. M. Bhagat  | 5               | 5        | 2,50,000          |
| 3       | Mr. Vijay Agarwal | 5               | 5        | 2,50,000          |

The Company Secretary acts as a Secretary to the Committee.

The Chief Executive Officer, Chief Financial Officer, Senior Chief Manager Finance and Accounts (post resignation of Chief Financial Officer w.e.f. November 28, 2022), Head - Internal Audit, Head - Risk & Compliance, the Internal Auditors and the Statutory Auditors of the Company are invited for each Audit Committee Meeting of the Company.

During the Financial Year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of the Company. The Committee has also reviewed the procedures laid down by the Company for assessing and managing the risks.

During the Financial Year under review, all recommendations made by the Audit Committee were accepted by the Board.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of the provisions of the Section 135 of the Act, the Company has a duly constituted Corporate Social Responsibility (CSR) Committee. Its composition, powers, roles, and scope are in accordance with the applicable provisions of the Act.

The Corporate Social Responsibility Committee comprises of 4 (Four) Non-Executive Directors out of which 2 (Two) are Independent Directors.

Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development, Dr. Pragnya Ram, Group Executive President, CSR, and Dr. Sandeep Dadia, Chief Executive Officer of the Company are permanent invitees to the Meetings of Corporate Social Responsibility Committee.

During the Financial Year under review, the Corporate Social Responsibility Committee met 2 (Two) times. The necessary quorum was present for all the Meetings.

During the Financial Year under review, Corporate Social Responsibility Committee Meetings were held on:

- June 27, 2022;
- March 20, 2023.

The composition, attendance and sitting fees paid during the Financial Year under review are as follows:

| Sr. No. | Name of Directors    | No. of Meetings |          | Sitting fees paid |
|---------|----------------------|-----------------|----------|-------------------|
|         |                      | Held            | Attended |                   |
| 1       | Mr. Askaran Agarwala | 2               | 1        | Nil               |
| 2       | Mr. A Dhananjaya     | 2               | 2        | Nil               |
| 3       | Mr. M. M. Bhagat     | 2               | 2        | 70,000            |
| 4       | Mr. Vijay Agarwal    | 2               | 2        | 70,000            |

## Board's Report (Contd.)

The Company Secretary acts as a Secretary to the Committee.

The Committee recommended to the Board the CSR activities to be undertaken during the Financial Year and amount to be spent on them.

During the Financial Year under review, all recommendations made by the Corporate Social Responsibility Committee were accepted by the Board.

### NOMINATION AND REMUNERATION COMMITTEE

In terms of the provisions of the Section 178 of the Act, the Company has a duly constituted Nomination and Remuneration Committee (NRC). Its composition, powers, roles, and scope are in accordance with the applicable provisions of the Act. The Committee is mainly entrusted with the responsibility of formulating criteria for determining the qualifications, positive

attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

The Nomination and Remuneration Committee of the Board comprises of 3 (Three) Non-Executive Directors out of which (Two) are Independent Directors.

During the Financial Year under review, the Nomination and Remuneration Committee met 5 (Five) times on the following dates. The necessary quorum was present for all the Meetings.

- April 25, 2022;
- July 22, 2022;
- August 2, 2022;
- October 17, 2022 and
- March 27, 2023.

The composition, attendance and sitting fees paid during the Financial Year under review are as follows:

| Sr. No. | Name of Directors | No. of Meetings |          | Sitting fees paid |
|---------|-------------------|-----------------|----------|-------------------|
|         |                   | Held            | Attended |                   |
| 1       | Mr. A Dhananjaya  | 5               | 4        | Nil               |
| 2       | Mr. M. M. Bhagat  | 5               | 5        | 1,75,000          |
| 3       | Mr. Vijay Agarwal | 5               | 5        | 1,75,000          |

The Company Secretary acts as a Secretary to the Committee.

The Company has adopted an Executive Remuneration Philosophy/Policy. The Policy has been published as **Annexure II** to the Board's Report, which forms part of this Annual Report.

### ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in form MGT-7 of the Company for the Financial Year ended March 31, 2023 is available on the website of the Company and can be accessed at [www.adityabirlainsurancebrokers.com](http://www.adityabirlainsurancebrokers.com).

### AUDITORS

#### STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, as amended,

M/s. S. B. Billimoria & Co. LLP, (ICAI Firm Registration No. 101496W/W100774), has been appointed as Statutory Auditors of the Company for a term of 5 (Five) years i.e. from the conclusion of 17<sup>th</sup> (Seventeenth) Annual General Meeting ('AGM') until the conclusion of the ensuing 22<sup>nd</sup> (Twenty Second) AGM of the Company.

The Company has received a letter from, M/s. S. B. Billimoria & Co. LLP, confirming that they are not disqualified from continuing to act as Statutory Auditors of the Company.

The observation(s) made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks, or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143 (12) of the Act during the Financial Year under review.



## SECRETARIAL AUDITORS

Pursuant to the requirements of Section 204 (1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. BNP & Associates, Practicing Company Secretaries to conduct the Secretarial Audit for the Financial Year under review. The Secretarial Audit Report in Form MR-3 for the Financial Year under review as received from M/s. BNP & Associates, Company Secretaries is attached as **Annexure III** to the Board's Report. The Secretarial Audit Report is self-explanatory.

## COST RECORDS AND AUDITORS

The provisions of Cost records and Audit as prescribed under Section 148 of the Act are not applicable to the Company.

## CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act, the Company has a Corporate Social Responsibility (CSR) Committee. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy is available on the Company's website at [www.adityabirlainsurancebrokers.com](http://www.adityabirlainsurancebrokers.com)

As a part of its initiatives under CSR, the Company has undertaken projects in the areas of Health, Education, Livelihood and Rural Development. These projects are also in line with the statutory requirements under the Act and the Company's CSR Policy. During the Financial Year under review, the Company has spent /contributed ₹ 1,32,75,000/- (Rupees One crore Thirty-Two Lakhs Seventy Five Thousand Only) towards CSR projects.

The required disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules 2014 is attached as **Annexure IV** to the Board's Report.

## WHISTLE BLOWER POLICY

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has formulated a Whistle Blower Policy for Directors and Employees to report concerns.

The Company has in place an appropriate policy which is in line with the requirements of the Sexual Harassment of Women

at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment of women. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. We further state that during the Financial Year under review, there were no complaints received/cases filed/cases pending under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Whistle Blower Policy and Policy on prevention of Sexual Harassment of Women at Workplace is available on the Company's website at: [www.adityabirlainsurancebrokers.com](http://www.adityabirlainsurancebrokers.com)

## HUMAN RESOURCES

HR team at ABIBL has a vision to be a strategic partner in attaining organizational excellence by developing and nurturing human capital thus providing opportunities for growth and prosperity in an environment of zero values violation.

We will achieve this by:

- Driving ABG core values (integrity, commitment, Passion, seamlessness and speed)
- Provide empowerment, accountability & responsibility in the way employees do business and provide support to business
- Provide opportunity in abundance for learning and growth
- Make available a conducive environment for innovation and creativity
- Provide superior work life balance for employees
- Be fair and consistent in all actions

ABIBL has always aspired to be an organization and a workplace which attracts, retains and provides a canvas for talent to operate. Our vision of being a leader and a role model in a broad based and integrated financial services business and a culture that is purpose driven gives meaning to our people.

We believe that meaning at work is created when people relate to the purpose of the organization, feel connected to their leaders and have a sense of belonging. Our focus stays strong on providing our people a work environment that welcomes diversity, nurtures positive relationships, provides challenging



## Board's Report (Contd.)

work assignments and provides opportunities based on meritocracy for people to grow and build their careers with us in line with their aspirations.

The Company's total workforce stood at 272 as on March 31, 2023, against 339 as on March 31, 2022.

### Talent Management:

Building a strong future ready talent pool and robust leadership succession pipeline continue to be priority areas for us in Talent Management. We continued to give prominence to identifying and developing our high potential employees and have steered towards more holistic, comprehensive and future oriented development interventions for them.

### Employee Wellness and Engagement

Our Company's endeavour to provide a happy, vibrant and engaging work environment continued this year. Our Company is also reinforcing the importance of health and wellbeing through wellness programs and initiatives.

### Learning:

Our Company's philosophy is to provide every employee with continuous opportunities to learn & grow. Our learning interventions create an organisation wide impact as these are focused on enabling employees to do better at work. An AI enabled learning app provides employees easy access to super personalized content that meets their unique individual requirements. 31K+ relevant courses, videos & webinars were hosted on Gyanodaya Virtual Campus (GVC) which is Aditya Birla Group's e-Learning platform for employees. Employees leveraged these resources to enhance their skills and knowledge.

## SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India ("ICSI") on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

## AWARDS AND CERTIFICATIONS

During the Financial Year under review, the Company has been felicitated with awards and recognitions as under:

- Insurance Broker of the Year at the India Insurance Summit Awards 2023

- Customer Service Excellence Award at the World BFSI Congress Awards 2023
- Data Analytics Initiative of the Year at the World BFSI Congress Awards 2023
- Insurance Broker of the Year at Financial Services Marketing Summit 2022
- Runner Up Insurance Broker of the Year at ASSOCHAM Insurance Summit 2022
- Best CX Digital Transformation in Insurance by India Customer Excellence Summit and Awards 2022

## OTHER DISCLOSURES

In terms of applicable provisions of the Act, the Company discloses that during the Financial Year under review:

- i. There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under Employee Stock Option Scheme referred to in this Report.
- ii. There was no Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- iii. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year under review.
- iv. There was no Issue of shares with differential rights
- v. There was no transfer of share of the Company
- vi. There was no transfer of un-paid or unclaimed amount to Investor Education and Protection Fund (IEPF)
- vii. There were no significant or material orders passed by the Regulators or Hon'ble Courts or Tribunals which impact the going concern status and Company's operations in future.
- viii. There was no proceeding for Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016
- ix. There was no failure to implement any Corporate Action

## ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their appreciation for the support and co-operation extended by our various partners and other business associates. Your Directors gratefully acknowledge the ongoing co-operation and support provided by all Statutory and Regulatory Authorities.



Your Board also acknowledges the contribution of Insurance Companies, Banks, training institutes and business and technology partners, the Registrars, Depositories, Reinsurers and other Insurance Intermediaries, who have always supported and helped the Company to achieve its objectives.

Your Board would also like to express its gratitude for the valuable advice, guidance, and support received from time to time from the Insurance Regulatory and Development Authority of India, Special Economic Zone Authority, the Auditors and the

other statutory authorities and look forward to their continued support in future.

Your Directors place on record their appreciation for the exemplary contribution made by the employees of the Company at all levels. Their dedicated efforts and enthusiasm have been pivotal to the Company's growth. The results of the year are testimony to their hard work and commitment. Your Board takes this opportunity to express sincere thanks to its valued customers for their continued patronage.

By order of the Board of Directors  
**For Aditya Birla Insurance Brokers Limited**

Mumbai, April 26, 2023

**Mr. A Dhananjaya**  
DIN 01744569

**Mr. Askaran Agarwal**  
DIN 00023684

## CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. The Company is not obliged to publicly amend, modify, or revise any forward-looking statements, on the basis of any subsequent development information or events or otherwise.

## Annexure I

Particulars pursuant to the provisions of Section 134 (3) (m) of the Act, read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014, are furnished hereunder:

| <b>A. CONSERVATION OF ENERGY</b>                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) the steps taken or impact on conservation of energy;                       | Cannibalization of Asset parts and dispose assets through green certificate vendor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| (ii) the steps taken by the company for utilising alternate sources of energy; | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| (iii) the capital investment on energy conservation equipment's;               | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>B. TECHNOLOGY ABSORPTION</b>                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (i) The efforts made towards technology absorption                             | <p><b>1. Web Based MISP and POSP Platform</b></p> <p>A new state of the art Web based enablement to all our partners (MISP and POSP) for soliciting insurance electronically by providing state of the art web portal for seamless Insurance journey right from policy issuance to online payment to auto-emailers having policy documents including complete post sales servicing.</p> <p><b>2. Mobile App and PWA:</b></p> <p>Dealer Mobile app and progressive web app allow partners across different verticals to source business on the move. Apart from functionalities available on the web, additional features of Sales Dashboard, OCR reader for docs are available.</p> <p><b>3. Online Sales and Service Portal for Customers:</b></p> <p>A web-based portal to allow customers to renew insurance policy online where a link for issuance of policy is sent through SMS on registered mobile and a few clicks results in issuance of insurance policy.</p> <p>An improved version of "Peace of Mind" portal is in place which intuitively helps customers in procuring Motor insurance policies as per their needs and expectations.</p> <p>Corporate customers are given access to 'My Policy' Portal which helps customer with post sales services held by them including after sales services.</p> <p><b>4. Onboarding of POSP and MISP portal</b></p> <p>Web based portal designed for onboarding of POSPs and MISPs to ensure minimal manual intervention. The portal has automated system of generating invoices twice a month basis the transactions concluded by the MISP or the POSP.</p> <p><b>5. WhatsApp for Customers:</b></p> <p>Moving from traditional forms of communication i.e. SMS and Email, a WhatsApp based welcome communication on onboarding is sent to all Group Medclaim policyholders. Also copies of Motor insurance policies are through WhatsApp to the respective customers.</p> <p><b>6. Robotic Process Automation (RPA) initiatives:</b></p> <p>With continued focus on automating business processes and introducing efficiencies, various RPA initiatives were implemented. 12 RPA initiatives were implemented to automate manual work performed by various business functions such as Corporate-employee Benefit and Operations This resulted in process efficiency and elimination of manual efforts resulting in accuracy of 85%.</p> |



**7. Query Management System**

A CRM integrated query Management system is built for efficient tracking of MISP queries and issues. A stringent Service Level Agreement based category is created with escalations for every breach to ensure timely resolutions.

To ensure reliability and uptime of our systems, a real time application performance monitoring and a log monitoring solution was implemented and extended to monitoring of all key systems. This helped with faster detection, troubleshooting and resolution of any applications having slow performance.

**8. Common Bank Integration**

To closely monitor and complete control, a common payment gateway was implemented across all MISP programs of ABIBL. This has resulted in reduction of payment failures or duplicate payments and significant increase in successful payments.

|       |                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                 |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (ii)  | The benefits derived as a result of the above efforts (e.g. Product improvements, cost reduction, product development, import substitution, etc.) | RPA and OCR tools helped in achieving an automation index of 85% across the business verticals this was implemented<br>Common Payment bank resulted in 95% success ratio against the 80-85% Online Sales Web and Mobile applications resulted in focusing on renewals especially during the Covid-19 situation, |
| (iii) | Particulars of imported technology in the last three years (reckoned from beginning of the financial year)                                        | None                                                                                                                                                                                                                                                                                                            |
| a)    | Details of technology imported                                                                                                                    | None                                                                                                                                                                                                                                                                                                            |
| b)    | Year of import                                                                                                                                    | None                                                                                                                                                                                                                                                                                                            |
| C)    | Has technology been fully absorbed                                                                                                                | Yes                                                                                                                                                                                                                                                                                                             |
| d)    | if not fully absorbed, areas where absorption has not taken place, and the reasons thereof                                                        | None                                                                                                                                                                                                                                                                                                            |
| (iv)  | the expenditure incurred on Research and Development.                                                                                             | ₹ 20.69 lakh                                                                                                                                                                                                                                                                                                    |

## EXECUTIVE REMUNERATION PHILOSOPHY/POLICY

Aditya Birla Insurance Brokers Limited, (“the Company”), an Aditya Birla Group Company adopts/shall adopt this Executive Remuneration Philosophy/Policy as applicable across Group Companies. This philosophy/ policy is detailed below.

## ADITYA BIRLA GROUP: EXECUTIVE REMUNERATION PHILOSOPHY/POLICY

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities – with the long-term success of our stakeholders.

## OUR BUSINESS AND ORGANIZATIONAL MODEL

Our Group is a conglomerate and organized in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

### I. Objectives of the Executive Remuneration Program

Our executive remuneration program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis
2. Emphasize “Pay for Performance” by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

### II. Covered Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company:
2. Key Managerial Personnel: Chief Executive Officer and equivalent (eg: Deputy Managing Director), Chief Financial Officer and Company Secretary.
3. Senior Management:

## Policy for appointment and remuneration

### Appointment Criteria and Qualifications

The Nomination and Remuneration Committee (the “Committee”) shall appoint Directors and individuals in Senior Management according to the process which enable the identification of individual who are qualified to become Directors and who may be appointed in senior management.

The Committee while making appointments to the Board assess the approximate mix of diversity, skills, experience and expertise. The Committee shall consider the benefits of diversity in identifying and recommending persons to Board membership and shall ensure no member is discriminated on the grounds of religion, race, Origin, sexual orientation or any other physical or personal attribute.

### III. Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that pay policies and levels across the Group are broadly equitable and support the Group’s global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

### IV. Executive Pay Positioning

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive pay-outs at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognize the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.



## V. Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits

### Annual Incentive Plan:

We tie annual incentive plan pay-outs of our executives to relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/ focus areas for the business.

### Long-Term Incentive:

Our Long-term incentive plans incentivize stretch performance, link executive remuneration to sustained long term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long-term incentive vehicle, to motivate and retain our executives.

## VI. Performance Goal Setting

We aim to ensure that for both annual incentive plans and long-term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

## VII. Executive Benefits and Perquisites

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

### Other Remuneration Elements

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives including continuity of service across the Group Companies.

We limit other remuneration elements, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale and generally do not provide for any tax gross ups for our executives.

### Risk and Compliance

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

### Claw back Clause:

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act 2013 and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him / her as per restatement of financial statements, pertaining to the relevant performance year.

### Implementation

The Group and Business Centre of Expertise teams will assist the Nomination & Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

**FORM NO. MR - 3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

[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,  
**Aditya Birla Insurance Brokers Limited**  
Indian Rayon Compound,  
Veraval,  
Junagadh, Gujarat - 362266.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aditya Birla Insurance Brokers Limited

[CIN: U99999GJ2001PLC062239] (hereinafter called the "Company") for the financial year ended on March 31, 2023 (the 'Audit period'/ 'Period under review'/ 'Review Period').

We conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our verification of the books, papers, minute books, soft copy of the various records sent over mail as provided by the company and other records maintained by the Company and furnished to us, during the financial year ended March 31, 2023 as well as before the issue of this report,
- (ii) Compliance Certificates confirming compliance with all laws applicable to the company given by Key Managerial Personnel / senior managerial Personnel of the company and taken on record by Audit Committee / Board of Directors, and
- (iii) Representations made, documents shown, and information provided by the company, its officers, agents, and authorized representatives during our conduct of Secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on March 31, 2023, the Company has:

- (i) Complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

**1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS**

**We further report that:**

- 1.1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year in terms of the applicable provisions /clauses of:
  - i. The Companies Act, 2013 ("the Act") and the Rules framed thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
  - v. Secretarial Standards issued by The Institute of Company Secretaries of India ("Secretarial Standards").
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2023, but before the issue of this report, the



Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- i. **Complied with** the applicable provisions/clauses of the Act, Rules and SEBI Regulation mentioned under paragraph 1.1 above.
  - ii. **Complied with** the applicable provisions/ clauses of:
    - a) The Act and rules mentioned under paragraph 1.1 (i);
    - b) The Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2) mentioned under paragraph 1.1 (v) above to the extent applicable to Board meetings and Committee meetings held during the review period and the 20<sup>th</sup> Annual General Meeting (“AGM”) held on July 22<sup>nd</sup>, 2022, except for some meetings of the Board/its Committees, for which draft minutes which were circulated to all the Directors beyond the prescribed time limit of 15 days, as per Secretarial Standards -1;and
    - c) The Compliance with the provisions of the Rules made under the Act with regard to the meetings of the Board and its Committee/s held through video conferencing during the review period were verified based on the minutes of the meetings provided by the Company.
- 1.3. During the audit period, provisions of the following Acts / Regulations were not applicable to the Company:
- i. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - ii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992: -
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
    - c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
    - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- 1.4. Based on the nature of business activities of the Company, the Insurance Regulatory and Development Authority of India (Insurance Broker) Regulation, 2018 is specifically applicable to the Company.

## 2. BOARD PROCESSES

### We further report that:

- 1.1. The Board of Directors of the Company as on March 31, 2023, comprised of:
  - i. Three Non-Executive Non-Independent Directors; and
  - ii. Two Non-Executive Independent Directors.



- 1.2. The processes relating to the following change in the composition of the Board of Directors and Key Managerial Personnel, during the year were carried out in compliance with the provisions of the Act:
  - i. Re- appointment of Ms. Archana Maru, Director [DIN:08484522] retiring by rotation at 20<sup>th</sup> Annual General Meeting, held on 22<sup>nd</sup> July, 2022.
  - ii. Resignation of Mr. Vikashh Agarwal, from the post of Chief Financial Officer of the Company, w.e.f. November 28, 2022.
  - iii. After the completion of financial year, Mr. Jay Gujral resigned, as a Company Secretary w.e.f. 17<sup>th</sup> April, 2023 and Mr. Jaibind Kumar Sahu has been appointed w.e.f. 22<sup>nd</sup> April, 2023, which has been approved in the Board Meeting held on 27<sup>th</sup> March 2023.
- 1.3. Adequate notice was given to all Directors of the Company to schedule the Board Meetings (including Committees), Agenda and detailed notes on Agenda were sent at least 7 (seven) days in advance, and where the same were given at shorter notice of less than seven days, more than one Independent Director was present at the Board Meeting as required under Section 173(3) of the Act and Secretarial Standard, as applicable.
- 1.4. A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the Meetings.
- 1.5. Decisions at the Meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors / members of the Committees, at their meetings, as recorded in the Minutes of the meetings held during the Audit Period.

### 3. COMPLIANCE MECHANISM

There are reasonably adequate systems and processes in the company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### 4. SPECIFIC EVENT(S)/ACTION(S)

During the year, there was no specific event/action having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations and standards except:

- (a) IRDA has passed an order against ABIBL on 30<sup>th</sup> December, 2019, for alleged violations of Motor Insurance Service Provider (MISP) Guidelines. The order refers to certain processes specific to Motor Insurance business which is across motor insurance industry and has been issued to many other companies as well. ABIBL along with other companies has filed an appeal on January 21, 2020, in Securities appellate Tribunal and have been granted stay by SAT, on respective orders issued by IRDAI. We are informed that the matter is still pending for hearing and till date no further orders have been passed.
- (b) As per resolution passed by Board of Directors at the meeting held on 27<sup>th</sup> March, 2023, the Company has submitted the application to IRDA, on 19<sup>th</sup> April 2023, for its in-principle approval, for the following: -
  - (i) giving effect to the sale of 51,30,000 (Fifty-One Lakhs Thirty Thousand) equity shares ₹ 10/- (Rupees Ten), representing 100% of the issued and paid up share capital of Aditya Birla Insurance Brokers Limited ("**Company**") by Infocyber India Private Limited and Aditya Birla Capital Limited (along with its nominee shareholders) (collectively, "**Sellers**") to Edme



- Services Private Limited (**"Purchaser"**) an affiliate of Samara Alternate Investment Fund, (**"Proposed Transaction"**) as contemplated under the Share Purchase Agreement proposed to be executed between the Company, Purchaser and Sellers (**"Agreement"**);
- (ii) proposed change in name of the Company (which would be undertaken post the completion of the Proposed Transaction);
  - (iii) proposed change in Registered Office of the Company (which would be undertaken post the completion of the Proposed Transaction); and
  - (iv) proposed change in directors of the Company; and subsequent completion of the transaction after receipt of requested approvals from the shareholders, IRDAI and other Statutory authorities.
- We are further informed that the Matter is pending at IRDAI.
- (c) Company has declared and paid Interim Dividend during the Financial Year 2022-2023

**Venkataraman K**

Associate Partner  
ACS:8897/COP:12459

For **BNP & Associates**

Company Secretaries  
Firm Reg No: P2014MH037400  
Peer Review No.-637/2019  
UDIN: A008897E000197305

Date: 26.04.2023

Place: Mumbai

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

## Annexure IV

To,  
The Members,

### **Aditya Birla Insurance Brokers Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the company after March 31, 2023, but before the issue of this report.
4. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. Our 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.

**Venkataraman K**  
Associate Partner  
ACS:8897/COP:12459

For **BNP & Associates**  
Company Secretaries  
Firm Reg No: P2014MH037400  
Peer Review No.-637/2019  
UDIN: A008897E000197305

Date: 26.04.2023  
Place: Mumbai



## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

### 1. Brief outline on CSR Policy of the Company:

CSR Policy of the Company is enunciated in accordance with Section 135 of

Companies Act, 2013 read with Corporate Social Responsibility Rules, 2014 (as amended from time to time) and CSR Voluntary Guidelines issued by Ministry of Corporate Affairs.

Our CSR Vision is 'to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index"

(Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development)

Our CSR Activities are undertaken broadly in the area of 'Education', 'Health Care', Sustainable Livelihood', 'Infrastructure Development,' 'Social Change'.

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

### 2. Composition of CSR Committee:

| Sl. No.                   | Name of Director       | Designation/Nature of Directorship                                                                   | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------------------------|------------------------|------------------------------------------------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| <b>Members</b>            |                        |                                                                                                      |                                                          |                                                              |
| 1                         | Mr. M.M. Bhagat        | Independent Director                                                                                 | 2                                                        | 2                                                            |
| 2                         | Mr. A. Dhananjaya      | Non-Independent Non- Executive Director                                                              | 2                                                        | 2                                                            |
| 3                         | Mr. Askaran Agarwala   | Non-Independent Non- Executive Director                                                              | 2                                                        | 1                                                            |
| 4                         | Mr. Vijay Agarwal      | Independent Director                                                                                 | 2                                                        | 2                                                            |
| <b>Permanent Invitees</b> |                        |                                                                                                      |                                                          |                                                              |
| 4                         | Mrs. Rajashree Birla   | Permanent Invitee (Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development) | 2                                                        | 2                                                            |
| 5                         | Dr. (Mrs.) Pragnya Ram | Permanent Invitee (Group Executive President, Corporate Communications and CSR)                      | 2                                                        | 2                                                            |
| 6                         | Dr. Sandeep Dadia      | Permanent Invitee (Chief Executive Officer of the Company)                                           | 2                                                        | -                                                            |

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company**

www.adityabirlainsurancebroker.com

**4. Details of Impact Assessment of CSR Projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

Pursuant to Rule 8 (3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has not appointed any Independent Agency for carrying out Impact Assessment for its CSR Projects for FY 2020-21.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---------|----------------|--------------------------------------------------------------------|---------------------------------------------------------------------|
| -       | -              | -                                                                  | -                                                                   |

**6. Average net profit of the company as per section 135(5): ₹ 66,27,39,519**

**7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1,32,54,790**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL**

**(c) Amount required to be set off for the financial year, if any: NIL**

**(d) Total CSR obligation for the financial year (7a+7b-7c): ₹**

**8. (a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹): NIL                                             |                  |                                                                                                      |         |                  |
|---------------------------------------------------|------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------|---------|------------------|
|                                                   | Total Amount transferred to Unspent CSR Account as per section 135(6). |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |         |                  |
|                                                   | Amount.                                                                | Date of transfer | Name of the Fund                                                                                     | Amount. | Date of transfer |
| ₹ 1,32,75,000                                     | NIL                                                                    | -                | -                                                                                                    | NIL     | -                |



**(b) Details of CSR amount spent against ongoing projects for the financial year:**

| Sl. No       | Name of the Project                                                | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | Project duration. | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | Name                            | CSR Registration number          |
|--------------|--------------------------------------------------------------------|--------------------------------------------------------------|----------------------|--------------------------|-------------------|-----------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------|---------------------------------|----------------------------------|
| 1            | Pilani Innovation and Entrepreneurship Development Society (PIEDS) | Contribution to incubators and Innovation Centre             | No                   | Rajasthan Jhunjhunu      | 2 years           | 1,32,54,790                             | 1,32,75,000                                       | -                                                                                      | No                                        |                                                      | Aditya Birla Capital Foundation | CSR Registration No. CSR00003351 |
| <b>Total</b> |                                                                    |                                                              |                      |                          |                   | <b>1,32,54,790</b>                      | <b>1,32,75,000</b>                                |                                                                                        |                                           |                                                      |                                 |                                  |

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

| Sl. No.      | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. |          | Amount spent for the project (in ₹). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. |                          |
|--------------|---------------------|--------------------------------------------------------------|----------------------|--------------------------|----------|--------------------------------------|-------------------------------------------|-------------------------------------------------------|--------------------------|
|              |                     |                                                              |                      | State                    | District |                                      |                                           | Name                                                  | CSR registration number. |
| -            | -                   | -                                                            | -                    | -                        | -        | -                                    | -                                         | -                                                     | -                        |
| <b>Total</b> |                     |                                                              |                      |                          |          |                                      |                                           |                                                       |                          |
| -            | -                   | -                                                            | -                    | -                        | -        | -                                    | -                                         | -                                                     | -                        |

**(d) Amount spent in Administrative Overheads:** ₹ 75,000/-**(e) Amount spent on Impact Assessment, if applicable:** NIL**(f) Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹ 1,32,75,000/-**(g) Excess amount for set off, if any:**

| Sl. No. | Particular                                                                                                  | Amount (in ₹) |
|---------|-------------------------------------------------------------------------------------------------------------|---------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | ₹ 1,32,54,790 |
| (ii)    | Total amount spent for the Financial Year                                                                   | ₹ 1,32,75,000 |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]                                                       | ₹ 20,210      |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL           |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | NIL           |

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |               |                   | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---------|---------------------------|------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------|---------------|-------------------|--------------------------------------------------------------------|
|         |                           |                                                                        |                                                     | Name of the Fund                                                                           | Amount (in ₹) | Date of transfer. |                                                                    |
| -       | -                         | -                                                                      | -                                                   | -                                                                                          | -             | -                 | -                                                                  |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

| Sl. No.      | Project ID. | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed / Ongoing. |
|--------------|-------------|---------------------|---------------------------------------------------|------------------|-----------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------|
| -            | NIL         | NIL                 | NIL                                               | NIL              | NIL                                           | NIL                                                                | NIL                                                                    | NIL                                          |
| <b>Total</b> |             | <b>NIL</b>          | <b>NIL</b>                                        | <b>NIL</b>       | <b>NIL</b>                                    | <b>NIL</b>                                                         | <b>NIL</b>                                                             | <b>NIL</b>                                   |



- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:**
- (a) Date of creation or acquisition of the capital asset(s):** NIL
  - (b) Amount of CSR spent for creation or acquisition of capital asset:** NIL
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc:** NIL
  - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** NIL
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not applicable

**Dr. Sandeep Dadia**  
(Chief Executive Officer)

**Mr. M M Bhagat**  
(Chairman CSR Committee)



# Independent Auditor's Report

To the Members of

**Aditya Birla Insurance Brokers Limited**

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying financial statements of **Aditya Birla Insurance Brokers Limited** (the "Company"), which comprise the Balance Sheet as at 31 March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of 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 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 31 March, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements and our auditor's report thereon ("Other Information").
- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

## Independent Auditor's Report (Contd.)

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

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

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SAs 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

## Independent Auditor's Report (Contd.)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Independent Auditor's Report (Contd.)**

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B", a Statement on the matters specified in paragraphs 3 and 4 of the Order.

**For S.B.BILLIMORIA & Co. LLP**

Chartered Accountants

(Firm's Registration No. 101496W/W100774)

**Mukesh Jain**

(Partner)

(Membership No. 108262)

(UDIN: 23108262BGTJMH5280)

Place: Mumbai

Date: 26 April, 2023

# Annexure “A” to the Independent Auditor’s Report

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

## **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls with reference to financial statements of Aditya Birla Insurance Brokers Limited (the “Company”) as of 31 March, 2023 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 with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the 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, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the

## Independent Auditor's Report (Contd.)

possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2023, based on the criteria for internal financial control with reference to financial statements 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 **S.B.BILLIMORIA & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 101496W/W100774)

**Mukesh Jain**  
(Partner)  
(Membership No. 108262)  
(UDIN: 23108262BGTJMH5280)

Place: Mumbai  
Date: 26 April, 2023

# Annexure "B" to the Independent Auditor's Report

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

In terms of the information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect to the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has also maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all Property, Plant and Equipment were due for physical verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable properties (other than properties where the Company is the lessee and lease agreements are duly executed in favour of the lessee) and hence reporting under of Clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working

capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii) (b) of the Order is not applicable.

- (iii) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

- (a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below:

| (₹ in lakh)                                                                |       |
|----------------------------------------------------------------------------|-------|
| Particulars                                                                | Loans |
| A. Aggregate amount granted / provided during the year:                    |       |
| - Others (Fellow Subsidiaries)                                             | 6,025 |
| B. Balance outstanding as at balance sheet date in respect of above cases: |       |
| - Others (including Fellow Subsidiaries)                                   | 2,375 |

The Company has not provided any advances in nature of loans, any guarantee or security to any other entity during the year.

- (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

## Independent Auditor's Report (Contd.)

- (e) During the year loans or advances in the nature of loans aggregating to ₹ 2,350 lakh fell due from certain parties and fresh loans aggregating to ₹ 2,350 lakh were granted to such parties to settle the overdues of existing loans given to them during the year. The details of such loans that fell due and those granted during the year are stated below:

| Name of the party                                | Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans(₹ in lakh) | Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Aditya Birla Financial Shared Services Limited   | 850                                                                                                     | 14%                                                                                                       |
| Aditya Birla Capital Technology Services Limited | 1,500                                                                                                   | 25%                                                                                                       |

- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under clause 3(vi) of CARO 2016 is not applicable.
- (vii) In respect of statutory dues:
- (a) In our opinion, the Company has been generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

| Name of the statute  | Nature of dues | Amount Involved (₹ in lakh) | Amount Unpaid (₹ in lakh) | Period to which the amount relates | Forum where dispute is pending                        |
|----------------------|----------------|-----------------------------|---------------------------|------------------------------------|-------------------------------------------------------|
| Income Tax Act, 1961 | Income Tax     | 12.21                       | 12.21                     | FY 2016-17                         | Commissioner of Income-tax (Appeal)                   |
| Income Tax Act, 1961 | Income Tax     | 15.51                       | 15.51                     | FY 2005-06                         | Deputy Commissioner of Income-tax (Assessing Officer) |
| Income Tax Act, 1961 | Income Tax     | 4.87                        | 4.87                      | FY 2017-18                         | Deputy Commissioner of Income-tax (Assessing Officer) |
| Income Tax Act, 1961 | Income Tax     | 0.60                        | 0.60                      | FY 2011-12                         | Commissioner of Income-tax (Appeal)                   |



## Independent Auditor's Report (Contd.)

| Name of the statute                                      | Nature of dues        | Amount Involved<br>(₹ in lakh) | Amount Unpaid<br>(₹ in lakh) | Period to which<br>the amount relates | Forum where dispute is<br>pending                                    |
|----------------------------------------------------------|-----------------------|--------------------------------|------------------------------|---------------------------------------|----------------------------------------------------------------------|
| Income Tax Act, 1961                                     | Income Tax            | 17.95                          | 17.95                        | FY 2015-16                            | Commissioner of Income-tax<br>(Appeal)                               |
| Income Tax Act, 1961                                     | Income Tax            | 22.97                          | 22.97                        | FY 2019-20                            | Commissioner of Income-tax<br>(Appeal)                               |
| The Telangana Goods and Services Tax Act, 2017           | Goods and Service Tax | 32.31                          | 32.31                        | FY 2019-20                            | The Company is in the process of filing the appeal against the order |
| The Telangana Goods and Services Tax Act, 2017           | Goods and Service Tax | 26.03                          | 26.03                        | FY 2018-19                            |                                                                      |
| The Telangana Goods and Services Tax Act, 2017           | Goods and Service Tax | 0.02                           | 0.02                         | July 2017 – March 2018                |                                                                      |
| The West Bengal Goods and Services Tax Act, 2017         | Goods and Service Tax | 2.14                           | 2.14                         | July 2017 - March 2018                |                                                                      |
| Finance Act, 1994                                        | Service Tax           | 2,517.41*                      | 1,355.89                     | June 2012- June 2017                  | Custom, Excise and Service Tax Appellate Tribunal, Mumbai            |
| Insurance Regulatory and Development Authority Act, 1999 | Penalty               | 300.00                         | 300.00                       | July 2017- August 2018                | Securities Appellate Tribunal, Mumbai                                |

\*Service Tax amount has been paid by the Company under protest.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any investment in subsidiary or joint venture or associate companies and consequently has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence the provisions of Clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

## Independent Auditor's Report (Contd.)

- (c) There were no whistle blower complaints received by the Company during the year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report which is not mitigated indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with it's directors and hence provisions of section 192 of the Act are not applicable.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable.
- (b) The Group has more than one CIC as part of Group. There are 3 CICs forming part of the Group.
- (xxi) The Company does not have any investment in subsidiary, joint venture and associate and hence the Company is not required to prepare consolidated financial statements. Therefore, reporting under clause 3(xxi) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

For **S.B.BILLIMORIA & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 101496W/W100774)

**Mukesh Jain**  
(Partner)  
(Membership No. 108262)  
(UDIN: 23108262BGTJMH5280)

Place: Mumbai  
Date: 26 April, 2023

# Balance Sheet

as at 31<sup>st</sup> March, 2023

(₹ in lakh)

| Sr no | Particulars                                                             | Notes | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------|-------------------------------------------------------------------------|-------|-------------------------|-------------------------|
|       | <b>ASSETS</b>                                                           |       |                         |                         |
| (1)   | <b>Non current assets</b>                                               |       |                         |                         |
| (a)   | Property, plant and equipment                                           | 2A    | 456.88                  | 372.05                  |
| (b)   | Right-of-use assets                                                     | 21    | 884.48                  | 1,264.97                |
| (c)   | Other intangible assets                                                 | 2B    | 150.75                  | 288.40                  |
| (d)   | Intangible assets under development                                     | 2C    | 178.06                  | 41.88                   |
| (e)   | Financial assets                                                        |       |                         |                         |
| (i)   | Others                                                                  | 3     | 390.13                  | 320.56                  |
| (f)   | Deferred tax assets (net)                                               | 4     | 525.85                  | 515.88                  |
| (g)   | Income tax assets (net)                                                 | 5     | 3,625.80                | 5,284.70                |
| (h)   | Other non current assets                                                | 6     | 1,152.21                | 1,126.33                |
|       | <b>Total Non Current Assets</b>                                         |       | <b>7,364.16</b>         | <b>9,214.77</b>         |
| (2)   | <b>Current assets</b>                                                   |       |                         |                         |
| (a)   | Financial assets                                                        |       |                         |                         |
| (i)   | Investments                                                             | 7     | 15,238.45               | 4,503.93                |
| (ii)  | Trade and other receivables                                             | 8     | 3,041.09                | 8,062.63                |
| (iii) | Cash and cash equivalents                                               | 9     | 89.49                   | 157.77                  |
| (iv)  | Bank Balance other than (iii) above                                     | 10    | 565.14                  | 687.74                  |
| (v)   | Loans                                                                   | 11    | 2,391.48                | 5,836.11                |
| (vi)  | Others                                                                  | 12    | 31.45                   | 35.41                   |
| (b)   | Other current assets                                                    | 13    | 1,000.00                | 1,086.95                |
|       | <b>Total Current Assets</b>                                             |       | <b>22,357.10</b>        | <b>20,370.54</b>        |
|       | <b>Total assets</b>                                                     |       | <b>29,721.26</b>        | <b>29,585.31</b>        |
|       | <b>EQUITY AND LIABILITIES</b>                                           |       |                         |                         |
| (1)   | <b>Equity</b>                                                           |       |                         |                         |
| (a)   | Equity share capital                                                    | 14    | 513.00                  | 513.00                  |
| (b)   | Other equity                                                            | 15    | 13,733.69               | 12,455.69               |
|       | <b>Total equity</b>                                                     |       | <b>14,246.69</b>        | <b>12,968.69</b>        |
| (2)   | <b>Liabilities</b>                                                      |       |                         |                         |
| (2.1) | <b>Non-current liabilities</b>                                          |       |                         |                         |
| (a)   | Financial liabilities                                                   |       |                         |                         |
| (i)   | Lease liabilities                                                       | 21    | 557.13                  | 916.55                  |
| (b)   | Long term provision                                                     | 16    | 1,026.50                | 1,109.49                |
|       | <b>Total Non Current Liabilities</b>                                    |       | <b>1,583.63</b>         | <b>2,026.04</b>         |
| (2.2) | <b>Current liabilities</b>                                              |       |                         |                         |
| (a)   | Financial liabilities                                                   |       |                         |                         |
| (i)   | Lease liabilities                                                       | 21    | 397.19                  | 393.03                  |
| (ii)  | Trade and other payables                                                | 17    |                         |                         |
|       | - Micro and small enterprises                                           |       | 1,486.43                | 1,383.18                |
|       | - Other than micro and small enterprises                                |       | 7,467.63                | 7,922.75                |
| (iii) | Other financial liabilities                                             | 18    | 2,805.95                | 3,055.96                |
| (b)   | Other current liabilities                                               | 19    | 1,513.41                | 1,560.07                |
| (c)   | Short term provisions                                                   | 20    | 220.33                  | 275.59                  |
|       | <b>Total Current Liabilities</b>                                        |       | <b>13,890.94</b>        | <b>14,590.58</b>        |
|       | <b>Total Liabilities</b>                                                |       | <b>15,474.57</b>        | <b>16,616.62</b>        |
|       | <b>Total Equity and Liabilities</b>                                     |       | <b>29,721.26</b>        | <b>29,585.31</b>        |
|       | Significant accounting policies                                         | 1     |                         |                         |
|       | The accompanying notes are an integral part of the Financial Statements |       |                         |                         |

As per our report of even date

For **S. B. Billimoria & Co. LLP**  
ICAI Firm Registration No. : 101496W/W100774  
Chartered Accountants

**Mukesh Jain**  
Partner  
Membership No: 108262

For and on behalf of the Board of Directors of  
**Aditya Birla Insurance Brokers Limited**

**Vijay Agarwal**  
Director  
DIN:00058548

**Anantha Dhananjaya**  
Director  
DIN:01744569

**Sandeep Dadia**  
Chief Executive Officer

**Jaibind Sahu**  
Company Secretary

Place: Mumbai  
Date: April 26, 2023

Place: Mumbai  
Date: April 26, 2023

# Statement of Profit & Loss

for the year ended March 31, 2023

(₹ in lakh)

| Sr no    | Particulars                                                                                 | Notes | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|----------|---------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>1</b> | <b>Revenue from operations:</b>                                                             |       |                              |                              |
|          | Revenue from operations                                                                     | 22    | 60,714.09                    | 68,451.75                    |
|          | <b>Other Income:</b>                                                                        |       |                              |                              |
|          | Interest income                                                                             | 23    | 893.79                       | 542.23                       |
|          | Net gain on fair value changes                                                              | 24    | 534.09                       | 249.65                       |
|          | Others                                                                                      | 25    | 11.91                        | 19.29                        |
|          |                                                                                             |       | 1,439.79                     | 811.17                       |
|          | <b>Total income</b>                                                                         |       | <b>62,153.88</b>             | <b>69,262.92</b>             |
| <b>2</b> | <b>Expenses:</b>                                                                            |       |                              |                              |
|          | (a) Fees and commission expense                                                             |       | 42,415.23                    | 50,613.92                    |
|          | (b) Finance cost (Interest expense on lease liabilities)                                    |       | 71.07                        | 78.88                        |
|          | (c) Impairment on financial instruments including loss on derecognition of financial assets |       | 113.10                       | 179.16                       |
|          | (d) Employee benefits expenses                                                              | 26    | 6,501.64                     | 6,872.82                     |
|          | (e) Depreciation and amortisation expenses                                                  | 27    | 714.90                       | 806.64                       |
|          | (f) Other expenses                                                                          | 28    | 2,611.59                     | 2,109.19                     |
|          | <b>Total expenses</b>                                                                       |       | <b>52,427.53</b>             | <b>60,660.61</b>             |
| <b>3</b> | <b>Profit before tax</b>                                                                    |       | <b>9,726.35</b>              | <b>8,602.31</b>              |
| <b>4</b> | <b>Income tax expenses</b>                                                                  | 29    |                              |                              |
|          | Current tax                                                                                 |       | 2,477.84                     | 2,233.33                     |
|          | Deferred tax charge - (Net)                                                                 |       | (9.97)                       | (36.94)                      |
|          |                                                                                             |       | 2,467.87                     | 2,196.39                     |
| <b>5</b> | <b>Profit for the year</b>                                                                  |       | <b>7,258.48</b>              | <b>6,405.92</b>              |
| <b>6</b> | <b>Other comprehensive income</b>                                                           | 30    |                              |                              |
|          | (Not to be reclassified to profit and loss -actuarial gain/(loss) on defined benefit plan)  |       | 28.94                        | 23.55                        |
|          | Income tax relating to items that will not be reclassified to profit and loss               |       | (7.32)                       | (6.05)                       |
| <b>7</b> | <b>Total comprehensive income for the year</b>                                              |       | <b>7,280.10</b>              | <b>6,423.42</b>              |
| <b>8</b> | <b>Earnings per share of ₹ 10/- each</b>                                                    | 31    |                              |                              |
|          | <b>Basic and Diluted- ₹</b>                                                                 |       | <b>141.49</b>                | <b>124.87</b>                |
|          | Significant accounting policies                                                             | 1     |                              |                              |
|          | The accompanying notes are an integral part of the Financial Statements.                    |       |                              |                              |

As per our report of even date

For **S. B. Billimoria & Co. LLP**  
ICAI Firm Registration No. : 101496W/W100774  
Chartered Accountants

**Mukesh Jain**  
Partner  
Membership No: 108262

For and on behalf of the Board of Directors of  
**Aditya Birla Insurance Brokers Limited**

**Vijay Agarwal**  
Director  
DIN:00058548

**Anantha Dhananjaya**  
Director  
DIN:01744569

**Sandeep Dadia**  
Chief Executive Officer

**Jaibind Sahu**  
Company Secretary

Place: Mumbai  
Date: April 26, 2023

Place: Mumbai  
Date: April 26, 2023

# Statement of Cash Flows

for the year ended March 31, 2023

| Particulars                                                                             | (₹ in lakh)                  |                              |
|-----------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                         | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
| <b>A. Cash flow from operating activities</b>                                           |                              |                              |
| Profit before tax                                                                       | 9,726.35                     | 8,602.31                     |
| <b>Adjustment for:</b>                                                                  |                              |                              |
| Impairment on financial instruments including loss on derecognition of financial assets | 113.10                       | 179.16                       |
| Net (gain) on fair value changes                                                        | (534.09)                     | (249.65)                     |
| Loss on sale of property, plant and equipment                                           | 0.17                         | 18.92                        |
| Interest income                                                                         | (564.86)                     | (438.18)                     |
| Interest expense related to lease liability                                             | 71.07                        | 78.88                        |
| Depreciation and amortisation                                                           | 714.90                       | 806.64                       |
| <b>Operating profit before working capital changes</b>                                  | <b>9,526.64</b>              | <b>8,998.08</b>              |
| <b>Adjustment for-</b>                                                                  |                              |                              |
| Decrease/(Increase) in trade receivables                                                | 4,918.68                     | (2,271.76)                   |
| Decrease in financial assets                                                            | 221.05                       | 637.17                       |
| (Increase)/Decrease in trade payables                                                   | (461.18)                     | 872.14                       |
| (Decrease)/Increase in financial liabilities                                            | (395.55)                     | 795.54                       |
| <b>Cash generated from operating activities</b>                                         | <b>13,809.64</b>             | <b>9,031.17</b>              |
| Income taxes paid (net of refund)                                                       | (826.26)                     | (3,446.58)                   |
| <b>Net cash generated from operating activities</b>                                     | <b>12,983.38</b>             | <b>5,584.59</b>              |
| <b>B. Cash Flow from investing activities</b>                                           |                              |                              |
| Purchases of property, plant and equipment and intangibles assets                       | (431.14)                     | (432.29)                     |
| Proceeds from sale of property, plant and equipment                                     | 75.13                        | 9.70                         |
| Interest received                                                                       | 539.76                       | 433.78                       |
| Investment in fixed deposit                                                             | (51.30)                      | (327.64)                     |
| Purchase of current investments                                                         | (84,492.78)                  | (74,376.28)                  |
| Sale of current investments                                                             | 74,292.34                    | 74,937.00                    |
| Investment in inter corporate deposits                                                  | (6,025.00)                   | (2,500.00)                   |
| Redemption of inter corporate deposits                                                  | 9,450.00                     | 750.00                       |
| <b>Net cash used in investing activities</b>                                            | <b>(6,642.99)</b>            | <b>(1,505.73)</b>            |
| <b>C. Cash flow from financing activities</b>                                           |                              |                              |
| Repayment of lease liability (including interest as per Ind AS 116)                     | (406.57)                     | (409.02)                     |
| Payment of dividend                                                                     | (6,002.10)                   | (3,591.00)                   |
| <b>Net cash used in financing activities</b>                                            | <b>(6,408.67)</b>            | <b>(4,000.02)</b>            |
| <b>Net increase in cash and cash equivalents</b>                                        | <b>(68.28)</b>               | <b>78.84</b>                 |
| <b>Opening cash and cash equivalents</b>                                                | <b>157.77</b>                | <b>78.93</b>                 |
| <b>Closing cash and cash equivalents</b>                                                | <b>89.49</b>                 | <b>157.77</b>                |
|                                                                                         | Note no.                     |                              |
| Significant accounting policies                                                         | 1                            |                              |
| The accompanying notes are an integral part of the Financial Statements.                |                              |                              |

As per our report of even date

For **S. B. Billimoria & Co. LLP**  
ICAI Firm Registration No. : 101496W/W100774  
Chartered Accountants

**Mukesh Jain**  
Partner  
Membership No: 108262

For and on behalf of the Board of Directors of  
**Aditya Birla Insurance Brokers Limited**

**Vijay Agarwal**  
Director  
DIN:00058548

**Anantha Dhananjaya**  
Director  
DIN:01744569

**Sandeep Dadia**  
Chief Executive Officer

**Jaibind Sahu**  
Company Secretary

Place: Mumbai  
Date: April 26, 2023

Place: Mumbai  
Date: April 26, 2023

# Statement of Changes in Equity

for year ended March 31, 2023

## (A) EQUITY SHARE CAPITAL

| Particulars                     | No of Shares in lakh | Notes     | Amount (₹ in lakh) |
|---------------------------------|----------------------|-----------|--------------------|
| As at April 01, 2021            | 51.30                | 14        | 513.00             |
| Changes in Equity share capital | -                    |           | -                  |
| As at March 31, 2022            | 51.30                |           | 513.00             |
| Changes in Equity share capital | -                    |           | -                  |
| <b>As at March 31, 2023</b>     | <b>51.30</b>         | <b>14</b> | <b>513.00</b>      |

## (B) OTHER EQUITY

| Particulars                                                                                | Notes | Reserves & Surplus |                 | Total            |
|--------------------------------------------------------------------------------------------|-------|--------------------|-----------------|------------------|
|                                                                                            |       | Retained earnings  | General reserve |                  |
| <b>Balance at April 01, 2021</b>                                                           | 15    | <b>7,440.30</b>    | <b>2,182.97</b> | <b>9,623.27</b>  |
| Profit for the year                                                                        |       | 6,405.92           | -               | 6,405.92         |
| Other comprehensive income-Net of tax (Remeasurement gains/(loss) on defined benefit plan) |       | 17.50              | -               | 17.50            |
| Total comprehensive income for the year                                                    |       | 6,423.42           | -               | 6,423.42         |
| Transfer to general reserve                                                                |       | (1,705.67)         | 1,705.67        | -                |
| Dividend paid                                                                              |       | (3,591.00)         | -               | (3,591.00)       |
| <b>Balance as at March 31, 2022</b>                                                        | 15    | <b>8,567.05</b>    | <b>3,888.64</b> | <b>12,455.69</b> |
| Profit for the year                                                                        |       | 7,258.48           | -               | 7,258.48         |
| Other comprehensive income-Net of tax (Remeasurement gains/(loss) on defined benefit plan) |       | 21.62              | -               | 21.62            |
| Total comprehensive income for the year                                                    |       | 7,280.10           | -               | 7,280.10         |
| Dividend paid                                                                              |       | (6,002.10)         | -               | (6,002.10)       |
| <b>Balance as at March 31, 2023</b>                                                        | 15    | <b>9,845.05</b>    | <b>3,888.64</b> | <b>13,733.69</b> |
| Significant accounting policies                                                            | 1     |                    |                 |                  |

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For **S. B. Billimoria & Co. LLP**  
ICAI Firm Registration No. : 101496W/W100774  
Chartered Accountants

**Mukesh Jain**  
Partner  
Membership No: 108262

Place: Mumbai  
Date: April 26, 2023

For and on behalf of the Board of Directors of  
**Aditya Birla Insurance Brokers Limited**

**Vijay Agarwal**  
Director  
DIN:00058548

**Jaibind Sahu**  
Company Secretary

Place: Mumbai  
Date: April 26, 2023

**Anantha Dhananjaya**  
Director  
DIN:01744569

**Sandeep Dadia**  
Chief Executive Officer

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE '01' SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

Aditya Birla Insurance Brokers Limited (Corporate ID No. U99999GJ2001PLC062239) is a limited Company incorporated and domiciled in India. The registered office of the company is located at Indian Rayon Compound, Veraval, Gujarat - 362 266. The Company is a composite general insurance intermediary, licensed by the Insurance Regulatory and Development Authority (IRDA) of India. The Company specialises in providing general insurance broking and risk management solutions for corporates and individuals alike. The financial statements of the Company for the year ended March 31, 2023 were authorized for issue in accordance with a resolution of the directors on April 26, 2023.

Board of Directors of the Company at its meeting held on March 27, 2023, has approved execution of Share Purchase Agreement to transfer 100% of issued and paid up share capital to Edme Services Private Limited, part of the Samara Capital Group and an affiliate of Samara Alternate Investment Fund. The Proposed Transaction is subject to receipt of the approval of Insurance Regulatory and Development Authority of India ("IRDAI") and other regulatory / statutory approvals and satisfaction of other conditions under the Share Purchase Agreement

### 2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an

asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

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 Companies Act, 2013. Based on the nature of products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as up to twelve months for the purpose of current/ non-current classification of assets and liabilities. The statement of cash flows have been prepared under indirect method.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications

The financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

#### 3.1 Revenue Recognition

Revenue is recognised on satisfaction of the performance obligations. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue for placement services (also commonly referred to as "Commission Income") is recognized as income (net of Goods and Services Tax) at the point in time, i.e.

# Notes to the Financial Statements

for the year ended March 31, 2023

at the inception date of the risk (insurance policy) or the date of issue of the prime documents by the Insurance Company, whichever is earlier. Adjustments to brokerage, if any, arising from premium additions or reductions are recognised on intimation.

Brokerage in respect of facultative inward / outward and treaty reinsurance placements is accounted when the premium to be paid by the insurer to the reinsurance company becomes due.

Interest income is recognised using the effective interest rate method.

## 3.2 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and impairment loss if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

### 3.2.1 Depreciation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis using the rates arrived at based on the useful lives estimated by the Management. The Company has used the following useful life to provide depreciation on its property, plant and equipment.

| Asset                           | Useful life as prescribed by Schedule II of the Co's Act, 2013 | Estimated useful life                |
|---------------------------------|----------------------------------------------------------------|--------------------------------------|
| Computers and office equipments | 3 years                                                        | 4 Years                              |
| Vehicles                        | 8 years                                                        | 5 Years                              |
| Furniture and fixtures          | 10 years                                                       | 7 Years                              |
| Leasehold improvements          | Over the primary period of the lease                           | Over the primary period of the lease |

Useful life of assets different from as prescribed in Schedule II has been estimated by management and is supported by the technical assessment. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Property, plant and equipments individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on assets acquired / sold during the year is recognised on a pro-rata basis to the statement of profit and loss from/ till the date of acquisition or sale.

## 3.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition,

intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over a period of 3 years.

Amortization on the intangible assets added/discharged off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

The amortisation period and the amortisation method are reviewed at least at each financial year end. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



# Notes to the Financial Statements

for the year ended March 31, 2023

## 3.3.1 Intangible assets under development

Expenditure on Research and/or development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

## 3.4 Leases

The company's lease asset classes primarily consist of leases for land and buildings. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes right – of – use (“ROU”) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the under lying

asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 3.5 Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that a non financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the resulting impairment loss is charged to the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

# Notes to the Financial Statements

for the year ended March 31, 2023

## 3.6 Taxes

### 3.5.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the Indian Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### 3.5.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

## 3.7 Employee benefits

### 3.7.1 Defined contribution plan

Retirement benefit in the form of Government managed Employee Provident Fund, Government managed Employee Pension Fund and Employee State Insurance are the defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective schemes which are recognised as an expense, when an employee renders the related service.

### 3.7.2 Defined benefit plan

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The Company's liabilities under Payment of Gratuity Act and compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Remeasurements, comprising of actuarial gains and losses on retirement benefits arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate

# Notes to the Financial Statements

for the year ended March 31, 2023

to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements,
- Net interest expense or income.

### 3.73 Long term incentive benefit

Other long term incentive benefits includes future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year and long term incentive payable to employees on fulfilment of criteria prescribed by the Company.

### 3.8 Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

Monetary asset and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange on the reporting date.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss.

### 3.9 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

### 3.10 Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying

economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.

### 3.11 Financial instruments and fair value measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized by the Company when it becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial instrument are adjusted to fair value, except where the financial instrument is measured at Fair Value through profit or loss, in which case the transaction costs are immediately recognized in profit or loss.

#### Financial assets

##### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.



# Notes to the Financial Statements

for the year ended March 31, 2023

## Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

## Financial liabilities and equity instruments

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. (Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.)

### Other financial liabilities

Other financial liabilities (including borrowings, financial guarantee contracts and trade and other payables) are subsequent to initial recognition, measured at amortised cost using the effective interest (EIR) method.

### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

## Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## Fair value measurement

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability.

## Impairment of financial assets

The impairment provision for financial assets (other than trade receivables) are based on assumptions of risk of default and expected loss rates. The Company makes judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Trade receivables are stated at their nominal values as reduced by appropriate allowances for estimated

# Notes to the Financial Statements

for the year ended March 31, 2023

irrecoverable amounts which are based on the historical percentages of amounts written off of the operating revenue. Individual trade receivables are written off when management deems them not to be collectible.

## 3.12 Security deposits

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the prevailing market rates.

## 3.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## 3.14 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements

were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## 3.15 Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below: Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements. Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 2A: PROPERTY, PLANT AND EQUIPMENT

| (₹ in lakh)                         |                        |                                 |                        |               |                 |
|-------------------------------------|------------------------|---------------------------------|------------------------|---------------|-----------------|
| Particulars                         | Leasehold improvements | Computers and office equipments | Furniture and fixtures | Vehicles      | Total           |
| <b>Gross Block</b>                  |                        |                                 |                        |               |                 |
| As at April 01, 2021                | 359.08                 | 555.71                          | 85.41                  | 327.44        | 1,327.64        |
| Additions during the year           | 8.75                   | 40.49                           | 9.11                   | 157.05        | 215.40          |
| Deletions during the year           | 43.80                  | 130.64                          | 3.96                   | 110.93        | 289.33          |
| <b>As at March 31, 2022</b>         | <b>324.03</b>          | <b>465.56</b>                   | <b>90.56</b>           | <b>373.56</b> | <b>1,253.71</b> |
| Additions during the year           | -                      | 76.36                           | 0.61                   | 240.34        | 317.31          |
| Deletions during the year           | 5.94                   | 181.54                          | 8.24                   | 158.52        | 354.24          |
| <b>As at March 31, 2023</b>         | <b>318.09</b>          | <b>360.38</b>                   | <b>82.93</b>           | <b>455.38</b> | <b>1,216.78</b> |
| <b>Accumulated depreciation</b>     |                        |                                 |                        |               |                 |
| As at April 01, 2021                | 261.81                 | 421.32                          | 54.03                  | 224.26        | 961.42          |
| Additions during the year           | 44.71                  | 66.16                           | 8.60                   | 61.47         | 180.94          |
| Deletions during the year           | 19.56                  | 129.34                          | 2.04                   | 109.76        | 260.70          |
| <b>As at March 31, 2022</b>         | <b>286.96</b>          | <b>358.14</b>                   | <b>60.59</b>           | <b>175.97</b> | <b>881.66</b>   |
| Additions during the year           | 9.84                   | 64.47                           | 9.58                   | 73.30         | 157.19          |
| Deletions during the year           | 2.03                   | 179.02                          | 4.99                   | 92.91         | 278.95          |
| <b>As at March 31, 2023</b>         | <b>294.77</b>          | <b>243.59</b>                   | <b>65.18</b>           | <b>156.36</b> | <b>759.90</b>   |
| <b>Net WDV as at March 31, 2023</b> | <b>23.32</b>           | <b>116.79</b>                   | <b>17.75</b>           | <b>299.02</b> | <b>456.88</b>   |
| <b>Net WDV as at March 31, 2022</b> | <b>37.07</b>           | <b>107.42</b>                   | <b>29.97</b>           | <b>197.59</b> | <b>372.05</b>   |

## NOTE 2B: INTANGIBLE ASSETS

| (₹ in lakh)                         |                   |                 |
|-------------------------------------|-------------------|-----------------|
| Particulars                         | Computer software | Total           |
| <b>Gross Block</b>                  |                   |                 |
| As at April 01, 2021                | 1,549.79          | 1,549.79        |
| Additions during the year           | 108.61            | 108.61          |
| Deletions during the year           | -                 | -               |
| <b>As at March 31, 2022</b>         | <b>1,658.40</b>   | <b>1,658.40</b> |
| Additions during the year           | 59.33             | 59.33           |
| Deletions during the year           | 2.96              | 2.96            |
| <b>As at March 31, 2023</b>         | <b>1,714.77</b>   | <b>1,714.77</b> |
| <b>Accumulated amortisation</b>     |                   |                 |
| As at April 01, 2021                | 1,091.96          | 1,091.96        |
| Additions during the year           | 278.04            | 278.04          |
| Deletions during the year           | -                 | -               |
| <b>As at March 31, 2022</b>         | <b>1,370.00</b>   | <b>1,370.00</b> |
| Additions during the year           | 196.98            | 196.98          |
| Deletions during the year           | 2.96              | 2.96            |
| <b>As at March 31, 2023</b>         | <b>1,564.02</b>   | <b>1,564.02</b> |
| <b>Net WDV as at March 31, 2023</b> | <b>150.75</b>     | <b>150.75</b>   |
| <b>Net WDV as at March 31, 2022</b> | <b>288.40</b>     | <b>288.40</b>   |

\*There is no internally generated intangible assets

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 2C: INTANGIBLE ASSETS UNDER DEVELOPMENT (IAUD):

Ageing:

(₹ in lakh)

| Particulars                   | March 31, 2023       |                                | March 31, 2022       |                                |
|-------------------------------|----------------------|--------------------------------|----------------------|--------------------------------|
|                               | Projects in progress | Projects temporarily suspended | Projects in progress | Projects temporarily suspended |
| Amount in IAUD for year ended |                      |                                |                      |                                |
| Less than 1 year              | 154.59               | -                              | 34.90                | -                              |
| 1-2 years                     | 19.03                | -                              | 4.78                 | -                              |
| 2-3 years                     | 4.44                 | -                              | -                    | -                              |
| More than 3 years             | -                    | -                              | 2.20                 | -                              |
| <b>Total</b>                  | <b>178.06</b>        | <b>-</b>                       | <b>41.88</b>         | <b>-</b>                       |

### Note:

There are no projects as on the reporting periods which has overdue and exceeded cost as compared to its original plan

## Movement of Intangible assets under development (IAUD):

(₹ in lakh)

| Particulars                                                          | As at          | As at          |
|----------------------------------------------------------------------|----------------|----------------|
|                                                                      | March 31, 2023 | March 31, 2022 |
| Opening Balance                                                      | 41.88          | 49.36          |
| Add: Additions during the year                                       | 193.46         | 98.97          |
| Less: Transferred to Computer Software from opening balance          | 18.40          | 42.38          |
| Less: Transferred to Computer Software from current year's additions | 38.88          | 64.06          |
| <b>Closing balance</b>                                               | <b>178.06</b>  | <b>41.88</b>   |

## NOTE 3: OTHER NON CURRENT FINANCIAL ASSETS

(₹ in lakh)

| Particulars                                                                                                   | As at          | As at          |
|---------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                               | March 31, 2023 | March 31, 2022 |
| Bank deposits with more than 12 months maturity<br>(Fixed deposits with banks marked lien in favour of IRDAI) | 209.61         | 158.31         |
| Add : Interest accrued but not due                                                                            | 10.21          | 1.08           |
|                                                                                                               | <b>219.82</b>  | <b>159.39</b>  |
| (Unsecured, considered good, except otherwise stated)                                                         |                |                |
| Rental security deposits                                                                                      | 170.44         | 160.62         |
| Other security deposits                                                                                       | 0.55           | 0.55           |
| Less: Impairment Loss                                                                                         | (0.68)         | -              |
|                                                                                                               | <b>170.31</b>  | <b>161.17</b>  |
| <b>Total</b>                                                                                                  | <b>390.13</b>  | <b>320.56</b>  |

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 4: DEFERRED TAX ASSET (NET)

(₹ in lakh)

| Particulars                                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------------------------|-------------------------|-------------------------|
| Deferred tax asset (net) :                                      |                         |                         |
| On account of accumulated depreciation and amortisation         | 118.24                  | 110.04                  |
| On account of provision for doubtful debts and other provisions | 386.32                  | 427.24                  |
| Others                                                          | 21.29                   | (21.40)                 |
| Net deferred tax asset (Refer note 29)                          | 525.85                  | 515.88                  |

## NOTE 5: INCOME TAX ASSET (NET)

(₹ in lakh)

| Particulars                                                                                                      | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Advance payment of income tax - net of provision of ₹ 9,994.80 lakh<br>(Previous year March 22: ₹ 7,528.54 lakh) | 3,625.80                | 5,284.70                |
| <b>Total</b>                                                                                                     | <b>3,625.80</b>         | <b>5,284.70</b>         |

## NOTE 6: OTHER NON CURRENT ASSETS

(₹ in lakh)

| Particulars                               | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------------------------------------------|-------------------------|-------------------------|
| Advance against capital expenditure       | 17.19                   | -                       |
| Gratuity Fund Receivables                 | 717.25                  | 679.83                  |
| Prepaid expenses                          | 5.12                    | 23.85                   |
|                                           | <b>739.56</b>           | <b>703.68</b>           |
| Service tax amount paid under protest     | 1,168.22                | 1,168.22                |
| Less: Provision for service tax liability | (755.57)                | (745.57)                |
|                                           | 412.65                  | 422.65                  |
| <b>Total</b>                              | <b>1,152.21</b>         | <b>1,126.33</b>         |

## NOTE 7: INVESTMENTS

(₹ in lakh)

| Particulars                                                                                                                                         | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Unquoted:</b>                                                                                                                                    |                         |                         |
| Investment in mutual fund units<br>(Number of units March 31, 2023 : 41.96 lakh, March 31, 2022 : 14.29 lakh at fair value through profit and loss) | 15,238.45               | 4,503.93                |
| <b>Total</b>                                                                                                                                        | <b>15,238.45</b>        | <b>4,503.93</b>         |
| Investments outside India                                                                                                                           | -                       | -                       |
| Investments in India                                                                                                                                | 15,238.45               | 4,503.93                |



# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 8: TRADE AND OTHER RECEIVABLES

(₹ in lakh)

| Particulars                               | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------------------------------------------|-------------------------|-------------------------|
| Secured considered good                   | -                       | -                       |
| Unsecured, undisputed considered good     | 3,041.09                | 8,062.63                |
| Unsecured, undisputed considered doubtful | 229.82                  | 289.70                  |
|                                           | <b>3,270.91</b>         | <b>8,352.33</b>         |
| Less: Impairment loss                     | (229.82)                | (289.70)                |
|                                           | <b>3,041.09</b>         | <b>8,062.63</b>         |
| <b>Total</b>                              | <b>3,041.09</b>         | <b>8,062.63</b>         |

Note :- There are no disputed trade receivables as on March 31, 2023 and March 31, 2022

(₹ in lakh)

| Outstanding for following periods from date of transactions<br>as on March 31, 2023 | Unbilled        | Considered good | Considered<br>doubtful | Total           |
|-------------------------------------------------------------------------------------|-----------------|-----------------|------------------------|-----------------|
| Less than 6 months                                                                  | 1,222.55        | 1,818.54        | 110.74                 | 3151.83         |
| 6 months -1 year                                                                    | -               | -               | 87.95                  | 87.95           |
| 1-2 years                                                                           | -               | -               | 9.74                   | 9.74            |
| 2-3 years                                                                           | -               | -               | 21.39                  | 21.39           |
| More than 3 years                                                                   | -               | -               | -                      | -               |
| <b>Total</b>                                                                        | <b>1,222.55</b> | <b>1,818.54</b> | <b>229.82</b>          | <b>3,270.91</b> |

(₹ in lakh)

| Outstanding for following periods from date of transactions<br>as on March 31, 2022 | Unbilled        | Considered good | Considered<br>doubtful | Total           |
|-------------------------------------------------------------------------------------|-----------------|-----------------|------------------------|-----------------|
| Less than 6 months                                                                  | 968.85          | 7016.50         | -                      | 7985.35         |
| 6 months -1 year                                                                    | 77.28           | -               | 98.28                  | 175.56          |
| 1-2 years                                                                           | -               | -               | 152.55                 | 152.55          |
| 2-3 years                                                                           | -               | -               | 21.11                  | 21.11           |
| More than 3 years                                                                   | -               | -               | 17.76                  | 17.76           |
| <b>Total</b>                                                                        | <b>1,046.13</b> | <b>7,016.50</b> | <b>289.70</b>          | <b>8,352.33</b> |

## NOTE 9: CASH AND CASH EQUIVALENTS

(₹ in lakh)

| Particulars                          | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|
| Cash and cash equivalents:           |                         |                         |
| Balance with banks - current account | 89.49                   | 157.77                  |
| <b>Total</b>                         | <b>89.49</b>            | <b>157.77</b>           |

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 10: OTHER BANK BALANCES

(₹ in lakh)

| Particulars                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------------------------------------------|-------------------------|-------------------------|
| Bank balance for reinsurance accounts *                  | 165.14                  | 287.74                  |
| Deposit with bank having maturity more than three months | 400.00                  | 400.00                  |
| <b>Total</b>                                             | <b>565.14</b>           | <b>687.74</b>           |

\*Held by the Company in fiduciary capacity on behalf of insurers/reinsurers, corresponding liability for the same is included in other financial liabilities

## NOTE 11: LOANS- CURRENT

(₹ in lakh)

| Particulars                                    | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------------------|-------------------------|-------------------------|
| (Unsecured, except otherwise stated)           |                         |                         |
| Advances and other receivables from employees: |                         |                         |
| Unsecured, considered good                     | 1.48                    | 0.77                    |
| Unsecured, considered doubtful                 | -                       | -                       |
|                                                | <b>1.48</b>             | <b>0.77</b>             |
| Less: Impairment loss                          | -                       | -                       |
|                                                | <b>1.48</b>             | <b>0.77</b>             |
| Other receivables:                             |                         |                         |
| Related parties                                | 20.03                   | 33.37                   |
| Others                                         | 4.47                    | 1.97                    |
| Inter corporate deposits (Refer note below)    |                         |                         |
| Related parties                                | 2,375.00                | 4,000.00                |
| Others                                         | -                       | 1,800.00                |
| Less: Impairment Loss                          | (9.50)                  | -                       |
|                                                | <b>2,365.50</b>         | <b>5,800.00</b>         |
| <b>Total</b>                                   | <b>2,391.48</b>         | <b>5,836.11</b>         |

Note:

1. Inter corporate deposits placed with financial institution and related parties yield fixed interest rate between the range of 7.15% to 8.50% for general purpose requirement with terms 12 month or demand whichever is earlier.
2. The Company has not given Loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, that are repayable on demand or without specifying any terms or period of repayment
3. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
4. The details of loans given under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

# Notes to the Financial Statements

for the year ended March 31, 2023

(₹ in lakh)

| Particulars                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|-------------------------------|-------------------------|-------------------------|
| Opening balance               | 5,800.00                | 4,050.00                |
| ICD given during the year     | 6,025.00                | 2,500.00                |
| ICD repayment during the year | (9,450.00)              | (750.00)                |
| <b>Closing balance</b>        | <b>2,375.00</b>         | <b>5,800.00</b>         |

## NOTE 12: OTHER FINANCIAL ASSETS - CURRENT

(₹ in lakh)

| Particulars                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------------------------------------------|-------------------------|-------------------------|
| Rental security deposits                                 | 14.65                   | 16.02                   |
| Other security deposits                                  | 2.78                    | 7.23                    |
| Less: Impairment Loss                                    | (0.07)                  | -                       |
|                                                          | <b>17.36</b>            | <b>23.25</b>            |
| Interest accrued but not due:                            |                         |                         |
| Deposit with bank having maturity more than three months | 14.09                   | 12.16                   |
| <b>Total</b>                                             | <b>31.45</b>            | <b>35.41</b>            |

## NOTE 13: OTHER CURRENT ASSETS

(₹ in lakh)

| Particulars      | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------|-------------------------|-------------------------|
| Prepaid expenses | 276.35                  | 303.93                  |
| GST input credit | 714.17                  | 763.68                  |
| Others           | 9.48                    | 19.34                   |
| <b>Total</b>     | <b>1,000.00</b>         | <b>1,086.95</b>         |

## NOTE 14: SHARE CAPITAL

(₹ in lakh)

| Particulars                                                                    | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorized share capital:</b>                                               |                         |                         |
| 55.00 lakh (Previous year: 55.00 lakh) equity shares of ₹ 10/- each            | 550.00                  | 550.00                  |
|                                                                                | <b>550.00</b>           | <b>550.00</b>           |
| <b>Issued, subscribed and fully paid up share capital:</b>                     |                         |                         |
| 51.30 lakh (Previous year: 51.30 lakh) equity shares of ₹ 10/- each fully paid | 513.00                  | 513.00                  |
|                                                                                | <b>513.00</b>           | <b>513.00</b>           |

### Term/right attached to equity shares:

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of company, holder of equity share will be entitled to share receive remaining assets of the company, after distribution to all preferential holders. The distribution will be in proportion to the number of equity share held by the shareholders

# Notes to the Financial Statements

for the year ended March 31, 2023

## Reconciliation of the number of shares outstanding at the beginning and at the end of the year

(₹ in lakh)

| Name of shareholder                | Numbers in lakh | Amount        |
|------------------------------------|-----------------|---------------|
| As at April 01, 2021               | 51.30           | 513.00        |
| Add: Shares issued during the year | -               | -             |
| As at March 31, 2022               | 51.30           | 513.00        |
| Add: Shares issued during the year | -               | -             |
| <b>As at March 31, 2023</b>        | <b>51.30</b>    | <b>513.00</b> |

## Details of shareholder holding more than 5% share of the Company

(Numbers in lakh)

| Name of shareholder              | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|----------------------|----------------------|
| Aditya Birla Capital Limited     | 25.65                | 25.65                |
| Infocyyber India Private Limited | 25.65                | 25.65                |
|                                  | <b>51.30</b>         | <b>51.30</b>         |
| % of shareholding:               |                      |                      |
| Aditya Birla Capital Limited     | 50.002               | 50.002               |
| Infocyyber India Private Limited | 49.998               | 49.998               |

Board of Directors of the Company at its meeting held on March 27, 2023, has approved execution of Share Purchase Agreement to transfer 100% of issued and paid up share capital to Edme Services Private Limited, part of the Samara Capital Group and an affiliate of Samara Alternate Investment Fund. The Proposed Transaction is subject to receipt of the approval of Insurance Regulatory and Development Authority of India ("IRDAI") and other regulatory / statutory approvals and satisfaction of other conditions under the Share Purchase Agreement

## Details of Promoters shareholding of the Company

| Promoter name                | No. of Shares in Lakhs | % of total shares | % Change during the year |
|------------------------------|------------------------|-------------------|--------------------------|
| Aditya Birla Capital Limited | 2,565,000              | 50.002            | No change                |

## NOTE 15: OTHER EQUITY

(₹ in lakh)

| Particulars                                               | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------------------------------|----------------------|----------------------|
| (1) General reserve:                                      |                      |                      |
| Opening balance                                           | 3,888.64             | 2,182.97             |
| Add: Transfer from retained earnings                      | -                    | 1,705.67             |
| <b>Closing balance</b>                                    | <b>3,888.64</b>      | <b>3,888.64</b>      |
| (2) Retained earnings:                                    |                      |                      |
| Opening balance                                           | 8,567.05             | 7,440.30             |
| Profit for the year                                       | 7,258.48             | 6,405.92             |
| <b>Other comprehensive income for the year-Net of tax</b> | <b>21.62</b>         | <b>17.50</b>         |
|                                                           | <b>15,847.15</b>     | <b>13,863.72</b>     |
| Less: Appropriation                                       |                      |                      |
| Transfer to general reserve                               | -                    | (1,705.67)           |
| Dividend paid on equity shares*                           | (6,002.10)           | (3,591.00)           |
| <b>Closing balance</b>                                    | <b>9,845.05</b>      | <b>8,567.05</b>      |
| <b>Total (1+2)</b>                                        | <b>13,733.69</b>     | <b>12,455.69</b>     |

\* The Company has paid interim dividend on equity shares of ₹ 117 /- per share (Previous year: ₹ 70/- per share). The Company has not proposed any dividend during the year.

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 16: LONG-TERM PROVISION

(₹ in lakh)

| Particulars                      | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------------------|-------------------------|-------------------------|
| Gratuity                         | 597.82                  | 680.81                  |
| Provision against claim/demand * | 428.68                  | 428.68                  |
| <b>Total</b>                     | <b>1,026.50</b>         | <b>1,109.49</b>         |

(₹ in lakh)

| Movement *                            | For the year<br>March 31, 2023 | For the year<br>March 31, 2022 |
|---------------------------------------|--------------------------------|--------------------------------|
| Balance at the beginning of the year  | 428.68                         | 428.68                         |
| Add: Provision during the year        | -                              | -                              |
| <b>Balance at the end of the year</b> | <b>428.68</b>                  | <b>428.68</b>                  |

## NOTE 17: TRADE AND OTHER PAYABLES

(₹ in lakh)

| Particulars                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------------|-------------------------|-------------------------|
| Payable to related parties               |                         |                         |
| - Micro and small enterprises*           | -                       | -                       |
| - Other than micro and small enterprises | 104.86                  | 51.82                   |
| Payable for other expenses:              |                         |                         |
| - Micro and small enterprises*           | 1,486.43                | 1,383.18                |
| - Other than micro and small enterprises | 7,362.77                | 7,870.93                |
| <b>Total</b>                             | <b>8,954.06</b>         | <b>9,305.93</b>         |

Note:-There are no disputed dues for MSME & Other trade payables as on March 31, 2023 and March 31, 2022

\* Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Company which has been relied upon by the auditors.

(₹ in lakh)

| Outstanding as on March 31, 2023<br>(from date of transaction) | Payable to other<br>expenses-MSME | Payable to other<br>expenses-Non MSME | Total           |
|----------------------------------------------------------------|-----------------------------------|---------------------------------------|-----------------|
| Unbilled                                                       | -                                 | -                                     | -               |
| Less than 1 year                                               | 1,348.07                          | 5,844.85                              | 7,192.92        |
| 1-2 years                                                      | 71.45                             | 586.28                                | 657.73          |
| 2-3 years                                                      | 43.83                             | 496.75                                | 540.58          |
| More than 3 years                                              | 23.07                             | 539.76                                | 562.83          |
| <b>Total</b>                                                   | <b>1,486.42</b>                   | <b>7,467.64</b>                       | <b>8,954.06</b> |

# Notes to the Financial Statements

for the year ended March 31, 2023

(₹ in lakh)

| Outstanding as on March 31, 2022<br>(from date of transaction) | Payable to other<br>expenses-MSME | Payable to other<br>expenses-Non MSME | Total           |
|----------------------------------------------------------------|-----------------------------------|---------------------------------------|-----------------|
| Unbilled                                                       | -                                 | -                                     | -               |
| Less than 1 year                                               | 1,304.88                          | 6,640.48                              | 7,945.36        |
| 1-2 years                                                      | 52.22                             | 696.86                                | 749.08          |
| 2-3 years                                                      | 21.81                             | 384.72                                | 406.53          |
| More than 3 years                                              | 4.27                              | 200.69                                | 204.96          |
| <b>Total</b>                                                   | <b>1,383.18</b>                   | <b>7,922.75</b>                       | <b>9,305.93</b> |

## NOTE 18: OTHER FINANCIAL LIABILITIES- CURRENT

(₹ in lakh)

| Particulars                                             | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Payable for salaries, wages and other employee benefits | 2,228.44                | 2,362.69                |
| Reinsurance premium payable                             | 88.30                   | 216.76                  |
| Other financial liabilities                             | 357.02                  | 443.19                  |
| Capital creditors                                       | 132.19                  | 33.32                   |
| <b>Total</b>                                            | <b>2,805.95</b>         | <b>3,055.96</b>         |

## NOTE 19: OTHER LIABILITIES - CURRENT

(₹ in lakh)

| Particulars                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------|-------------------------|-------------------------|
| Other payables - statutory dues | 1,511.46                | 1,558.52                |
| Income received in advance      | 1.95                    | 1.55                    |
| <b>Total</b>                    | <b>1,513.41</b>         | <b>1,560.07</b>         |

## NOTE 20: SHORT-TERM PROVISION

(₹ in lakh)

| Particulars          | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------|-------------------------|-------------------------|
| Compensated absences | 220.33                  | 275.59                  |
| <b>Total</b>         | <b>220.33</b>           | <b>275.59</b>           |

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 21: RIGHT OF USE ASSET AND LEASE LIABILITY

Following are the changes in the carrying value of right of use assets.

| Particulars                                    | Category of ROU Asset |                 |
|------------------------------------------------|-----------------------|-----------------|
|                                                | Leasehold Premises    |                 |
| <b>Gross Carrying Value</b>                    |                       |                 |
| Balance as at April 01, 2021                   |                       | 1,499.58        |
| Additions                                      |                       | 738.76          |
| Deletions                                      |                       | 41.16           |
| <b>Balance as at March 31, 2022</b>            |                       | <b>2,197.18</b> |
| Additions                                      |                       | 26.92           |
| Deletions                                      |                       | 63.18           |
| <b>Balance as at March 31, 2023</b>            |                       | <b>2,160.92</b> |
| <b>Accumulated Amortisation</b>                |                       |                 |
| As at April 01, 2021                           |                       | 599.86          |
| Additions                                      |                       | 347.66          |
| Deletions                                      |                       | 15.31           |
| <b>Balance as at March 31, 2022</b>            |                       | <b>932.21</b>   |
| Additions                                      |                       | 360.73          |
| Deletions                                      |                       | 16.50           |
| <b>Balance as at March 31, 2023</b>            |                       | <b>1,276.44</b> |
| <b>Net Carrying Value as at March 31, 2022</b> |                       | <b>1,264.97</b> |
| <b>Net Carrying Value as at March 31, 2023</b> |                       | <b>884.48</b>   |

The following is the movement in lease liabilities

| Particulars                          | As at          |                 |
|--------------------------------------|----------------|-----------------|
|                                      | March 31, 2023 | March 31, 2022  |
| Opening balance                      | 1,309.58       | 937.87          |
| Additions                            | 26.92          | 727.70          |
| Deletions                            | (46.68)        | (25.85)         |
| Finance cost accrued during the year | 71.07          | 78.88           |
| Payment of lease liabilities         | (406.57)       | (409.02)        |
| <b>Closing balance</b>               | <b>954.32</b>  | <b>1,309.58</b> |

The following is the break-up of current and non-current lease liabilities

| Particulars                   | As at          |                 |
|-------------------------------|----------------|-----------------|
|                               | March 31, 2023 | March 31, 2022  |
| Current lease liabilities     | 397.19         | 393.03          |
| Non-current lease liabilities | 557.13         | 916.55          |
| <b>Total</b>                  | <b>954.32</b>  | <b>1,309.58</b> |

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 22: REVENUE FROM OPERATIONS

(₹ in lakh)

| Particulars                                     | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-------------------------------------------------|------------------------------|------------------------------|
| <b>General insurance advisory services:</b>     |                              |                              |
| Brokerage                                       | 60,631.66                    | 68,390.95                    |
| Administrative services and consultancy charges | 82.43                        | 60.80                        |
| <b>Total</b>                                    | <b>60,714.09</b>             | <b>68,451.75</b>             |

## NOTE 23: INTEREST INCOME

(₹ in lakh)

| Particulars                                                         | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Interest income from financial assets through amortized cost</b> |                              |                              |
| <b>Interest on inter corporate deposits:</b>                        |                              |                              |
| Related parties                                                     | 518.87                       | 260.29                       |
| Others                                                              | -                            | 139.49                       |
| Interest on fixed deposits with bank                                | 31.93                        | 25.54                        |
| Unwinding of discount on security deposits                          | 14.06                        | 12.86                        |
| Interest on income tax refund                                       | 328.93                       | 104.05                       |
| <b>Total</b>                                                        | <b>893.79</b>                | <b>542.23</b>                |

## NOTE 24: NET GAIN ON FAIR VALUE CHANGES

(₹ in lakh)

| Particulars                                       | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---------------------------------------------------|------------------------------|------------------------------|
| MTM of investments measured at FVTPL -gain/(loss) | (18.84)                      | 105.27                       |
| Gain on sale of investments measured at FVTPL     | 552.93                       | 144.38                       |
| <b>Total</b>                                      | <b>534.09</b>                | <b>249.65</b>                |
| <b>Fair value changes :</b>                       |                              |                              |
| Realised                                          | 552.93                       | 144.38                       |
| Unrealised                                        | (18.84)                      | 105.27                       |
| <b>Total</b>                                      | <b>534.09</b>                | <b>249.65</b>                |

## NOTE 25: OTHER INCOME

(₹ in lakh)

| Particulars                       | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-----------------------------------|------------------------------|------------------------------|
| Foreign exchange gain             | 3.83                         | 10.46                        |
| Gain on discarding of lease asset | 7.08                         | 7.11                         |
| Recovery of bad debts             | 1.00                         | 1.72                         |
| <b>Total</b>                      | <b>11.91</b>                 | <b>19.29</b>                 |



# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 26: EMPLOYEE BENEFITS EXPENSES

(₹ in lakh)

| Particulars                               | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-------------------------------------------|------------------------------|------------------------------|
| Salaries and other allowances             | 6,076.47                     | 6,409.89                     |
| Contribution to gratuity fund             | 84.44                        | 81.79                        |
| Contribution to provident and other funds | 205.10                       | 209.19                       |
| Employee stock options scheme -ESOP       | 7.15                         | 34.35                        |
| Staff welfare expenses                    | 128.48                       | 137.60                       |
| <b>Total</b>                              | <b>6,501.64</b>              | <b>6,872.82</b>              |

## NOTE 27: DEPRECIATION AND AMORTISATION

(₹ in lakh)

| Particulars                                   | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-----------------------------------------------|------------------------------|------------------------------|
| Depreciation on property, plant and equipment | 157.20                       | 180.94                       |
| Amortization of intangible assets             | 196.97                       | 278.04                       |
| Amortization of right-of-use assets           | 360.73                       | 347.66                       |
| <b>Total</b>                                  | <b>714.90</b>                | <b>806.64</b>                |

## NOTE 28: OTHER EXPENSES

(₹ in lakh)

| Particulars                                         | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-----------------------------------------------------|------------------------------|------------------------------|
| Legal and professional charges (Refer note 1 below) | 399.91                       | 362.26                       |
| Advertisement and business promotion expenses       | 183.90                       | 130.83                       |
| Telephone and communication expenses                | 67.16                        | 51.01                        |
| Travelling and conveyance expenses                  | 247.50                       | 89.43                        |
| Rent                                                | 7.28                         | 3.02                         |
| Rates and taxes                                     | 29.94                        | 25.96                        |
| Repair and maintenance                              | 141.55                       | 74.17                        |
| Director's Fees                                     | 20.40                        | 13.40                        |
| Insurance expenses                                  | 228.33                       | 179.24                       |
| Service hire charges                                | 264.40                       | 358.25                       |
| Electricity expenses                                | 35.29                        | 30.07                        |
| Printing and stationery                             | 8.72                         | 8.34                         |
| Loss on sale of property, plant and equipment       | 0.17                         | 18.92                        |
| Information technology expenses                     | 704.24                       | 559.30                       |
| Bank charges                                        | 9.71                         | 8.07                         |
| Postage and courier expenses                        | 7.95                         | 3.59                         |
| CSR expenses (refer note 3 below)                   | 132.75                       | 93.75                        |
| Miscellaneous expenses (refer note 2 below)         | 122.39                       | 99.58                        |
| <b>Total</b>                                        | <b>2,611.59</b>              | <b>2,109.19</b>              |

Notes:

1. Legal and professional charges include the auditors' remuneration as under:

# Notes to the Financial Statements

for the year ended March 31, 2023

(₹ in lakh)

| Particulars               | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---------------------------|------------------------------|------------------------------|
| <b>As auditor:</b>        |                              |                              |
| Audit fee                 | 14.00                        | 13.00                        |
| Tax audit fee             | 2.00                         | 2.00                         |
| Limited review            | 11.00                        | 9.00                         |
| <b>In other capacity:</b> |                              |                              |
| Certification fee         | 7.00                         | 7.00                         |
| Out of pocket expenses    | 1.78                         | 0.84                         |
| <b>Total</b>              | <b>35.78</b>                 | <b>31.84</b>                 |

- Miscellaneous expenses :- Include employee recruitment expenses, security expenses, conference expenses and other office relevant expenses
- Details of CSR expenditure:

(₹ in lakh)

| Particulars                                                                                   | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-----------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| 1) Gross amount required to be spent by the company during the year                           | 132.55                       | 93.43                        |
| 2) Amount spent during the year                                                               |                              |                              |
| i) Construction/acquisition of any asset                                                      |                              |                              |
| In cash                                                                                       | -                            | -                            |
| Yet to be paid in cash                                                                        | -                            | -                            |
| <b>Total</b>                                                                                  | <b>-</b>                     | <b>-</b>                     |
| ii) On purpose other than (i) above -<br>(For development and education of disabled children) |                              |                              |
| In cash                                                                                       | 132.75                       | 93.75                        |
| Yet to be paid in cash                                                                        | -                            | -                            |
| <b>Total</b>                                                                                  | <b>132.75</b>                | <b>93.75</b>                 |

## NOTE 29: INCOME TAX EXPENSES

(₹ in lakh)

| Particulars                 | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-----------------------------|------------------------------|------------------------------|
| Current tax                 | 2,477.84                     | 2,233.33                     |
| Deferred tax charge - (Net) | (9.97)                       | (36.94)                      |
| <b>Total</b>                | <b>2,467.87</b>              | <b>2,196.39</b>              |

# Notes to the Financial Statements

for the year ended March 31, 2023

## Tax rate reconciliation

(₹ in lakh)

| Particulars                                                                                                               | Year Ended<br>March 31, 2023 | Year Ended<br>March 31, 2022 |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Current income tax:</b>                                                                                                |                              |                              |
| Current income tax charge                                                                                                 | 2,477.84                     | 2,233.33                     |
| Deferred tax relating to origination and reversal of temporary differences                                                | (9.97)                       | (36.94)                      |
| <b>Tax charges</b>                                                                                                        | <b>2,467.87</b>              | <b>2,196.39</b>              |
| <b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023</b> |                              |                              |
| <b>Accounting profit before income tax</b>                                                                                | <b>9,726.35</b>              | <b>8,602.31</b>              |
| <b>At India's statutory income tax rate of 25.168%</b>                                                                    | <b>2,447.93</b>              | <b>2,165.03</b>              |
| Income tax expenses on non deductible/non taxable items and others                                                        | 19.94                        | 31.36                        |
| <b>At the effective income tax</b>                                                                                        | <b>2,467.87</b>              | <b>2,196.39</b>              |

## Deferred tax assets

(₹ in lakh)

| Particulars                                                                                                | As on<br>April 1, 2021 | P&L and OCI<br>Movement | As on<br>March 31, 2022 | P&L and OCI<br>Movement | As on<br>March 31, 2023 |
|------------------------------------------------------------------------------------------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Temporary differences on account of:</b>                                                                |                        |                         |                         |                         |                         |
| Provision for doubtful debts and other provisions                                                          | 396.12                 | 31.12                   | 427.24                  | (40.91)                 | 386.33                  |
| Difference in written down value of property plant and equipment between Income-tax Act and Companies Act. | 81.99                  | 28.04                   | 110.03                  | 8.20                    | 118.23                  |
| Others                                                                                                     | 18.97                  | 3.48                    | 22.45                   | 2.77                    | 25.22                   |
| <b>Total (A)</b>                                                                                           | <b>497.08</b>          | <b>62.64</b>            | <b>559.72</b>           | <b>(29.94)</b>          | <b>529.78</b>           |

## Deferred Tax Liabilities

(₹ in lakh)

| Particulars                                       | As on<br>April 1, 2021 | P&L and OCI<br>Movement | As on<br>March 31, 2022 | P&L and OCI<br>Movement | As on<br>March 31, 2023 |
|---------------------------------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Temporary differences on account of:</b>       |                        |                         |                         |                         |                         |
| Fair Value Change of Investments under Ind AS 109 | 18.14                  | 25.70                   | 43.84                   | (39.91)                 | 3.93                    |
| <b>Total (B)</b>                                  | <b>18.14</b>           | <b>25.70</b>            | <b>43.84</b>            | <b>(39.91)</b>          | <b>3.93</b>             |
| <b>Net Deferred Tax Assets (A-B)</b>              | <b>478.94</b>          | <b>36.94</b>            | <b>515.88</b>           | <b>9.97</b>             | <b>525.85</b>           |

## NOTE 30: OTHER COMPREHENSIVE INCOME

(₹ in lakh)

| Particulars                                                                                 | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|---------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Other comprehensive income                                                                  | 28.94                        | 23.55                        |
| (Not to be reclassified to profit and loss - actuarial gain/(loss) on defined benefit plan) |                              |                              |
| Income tax relating to items that will not be reclassified to profit and loss               | (7.32)                       | (6.05)                       |
| <b>Total</b>                                                                                | <b>21.62</b>                 | <b>17.50</b>                 |

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 31 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances):

| Particulars                   | (₹ in lakh)    |                |
|-------------------------------|----------------|----------------|
|                               | March 31, 2023 | March 31, 2022 |
| Property, plant and equipment | 14.38          | 95.50          |
| Intangible assets             | 96.78          | 114.94         |
| <b>Total</b>                  | <b>111.16</b>  | <b>210.44</b>  |

### 2 Contingent liability not provided for:

| Particulars                                              | (₹ in lakh)     |                 |
|----------------------------------------------------------|-----------------|-----------------|
|                                                          | March 31, 2023  | March 31, 2022  |
| (1) Direct tax matters                                   | 74.11           | 51.14           |
| (2) Indirect tax matters                                 | 1,961.63        | 1,861.05        |
| (3) Claims against the Company not acknowledged as debts | 1,519.99        | 709.36          |
| <b>Total</b>                                             | <b>3,555.73</b> | <b>2,621.55</b> |

### 3 Disclosure in respect of employee benefits pursuant to Ind AS -19

#### A The details of the company's defined benefit plans in respect of gratuity:

##### General description of the plan

The Company has maintained a gratuity plan with a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

The expected contribution payable to the plan next year is ₹ 61.25 lakh

#### B The status of employee benefits as on March 31, 2023 as per actuarial valuation report is as under:

| Particulars                                                                                                         | (₹ in lakh)    |                |
|---------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                     | March 31, 2023 | March 31, 2022 |
| <b>Amounts recognised in Balance Sheet in respect of gratuity:</b>                                                  |                |                |
| Present value of the funded defined benefit obligations at the end of the year                                      | 597.82         | 680.82         |
| Fair value of assets                                                                                                | 717.25         | 679.83         |
| <b>Amounts recognised in employee benefits expenses in the Statement of Profit and Loss in respect of gratuity:</b> |                |                |
| Current service cost                                                                                                | 82.95          | 78.15          |
| Interest on net defined benefit liability / (assets)                                                                | (2.17)         | 0.54           |
| <b>Net gratuity cost</b>                                                                                            | <b>80.78</b>   | <b>78.69</b>   |

# Notes to the Financial Statements

for the year ended March 31, 2023

| (₹ in lakh)                                                                      |                |                |
|----------------------------------------------------------------------------------|----------------|----------------|
| Particulars                                                                      | March 31, 2023 | March 31, 2022 |
| <b>Amount recognised in Other Comprehensive Income (OCI) for the year:</b>       |                |                |
| Actual return on assets excluding interest income                                | 6.12           | (28.65)        |
| Actuarial changes arising from changes in demographic assumptions                | (85.41)        | (24.08)        |
| Actuarial changes arising from changes in financial assumptions                  | 42.05          | (9.12)         |
| Actuarial changes arising from changes in experience assumptions                 | 4.19           | 39.57          |
| <b>Closing amount recognised in OCI outside the statement of profit and loss</b> | <b>(33.05)</b> | <b>(22.28)</b> |

| (₹ in lakh)                                                       |                 |                |
|-------------------------------------------------------------------|-----------------|----------------|
| Particulars                                                       | March 31, 2023  | March 31, 2022 |
| <b>Change in net liability/ assets</b>                            |                 |                |
| Opening net defined benefit liability/ (assets)                   | 1.00            | 36.65          |
| Expense charged to profit and loss account                        | 80.78           | 78.69          |
| Amount recognised outside profit and loss account - OCI           | (33.05)         | (22.28)        |
| Employer contributions                                            | (0.99)          | (36.78)        |
| Impact of liability assumed or (settled)                          | (167.17)        | (55.28)        |
| <b>Closing net defined benefit liability / (asset)</b>            | <b>(119.43)</b> | <b>1.00</b>    |
| Change in Present Value of the Obligations:                       |                 |                |
| Opening defined benefit obligations                               | 680.83          | 615.94         |
| Current service cost                                              | 82.95           | 78.15          |
| Interest cost                                                     | 40.39           | 35.65          |
| Actuarial changes arising from changes in demographic assumptions | (85.41)         | (24.08)        |
| Actuarial changes arising from changes in financial assumptions   | 42.05           | (9.12)         |
| Actuarial changes arising from changes in experience assumptions  | 4.19            | 39.57          |
| Past service costs                                                | -               | -              |
| Liabilities assumed/(settled)                                     | (167.17)        | (55.28)        |
| Benefit payments from assets                                      | -               | -              |
| Closing defined benefit obligations                               | <b>597.83</b>   | <b>680.83</b>  |
| <b>Change in fair value of assets:</b>                            |                 |                |
| Opening fair value of assets                                      | 679.83          | 579.29         |
| Interest on assets                                                | 42.56           | 35.11          |
| Actuarial gain/(loss)                                             | -               | -              |
| Contributes by employer                                           | 0.99            | 36.78          |
| Remeasurements due to :                                           |                 |                |
| Actual return on asset less interest on assets                    | (6.12)          | 28.65          |
| Assets acquired on acquisition/distributed on divestiture         | -               | -              |
| Benefit payments from assets                                      | -               | -              |
| <b>Closing fair value of assets</b>                               | <b>717.26</b>   | <b>679.83</b>  |
| <b>Experience adjustment:</b>                                     |                 |                |
| Defined benefit obligation                                        | 597.83          | 680.83         |
| Assets                                                            | 717.26          | 679.83         |
| Surplus/(deficit)                                                 | <b>119.43</b>   | <b>(1.00)</b>  |

# Notes to the Financial Statements

for the year ended March 31, 2023

(₹ in lakh)

| Particulars                                                       | March 31, 2023          | March 31, 2022          |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Principal actuarial assumptions at the balance sheet date:</b> |                         |                         |
| Discount rate (p.a.)                                              | 7.30%                   | 6.26%                   |
| Salary escalation rate                                            | 10.00%                  | 8.00%                   |
| <b>Attrition Rate</b>                                             |                         |                         |
| For MM & SM                                                       | 20.00%                  | 8.50%                   |
| For JM                                                            | 32.00%                  | 32.00%                  |
| <b>Mortality Rate</b>                                             |                         |                         |
|                                                                   | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate |
| <b>Retirement age</b>                                             | <b>60 Years</b>         | <b>60 Years</b>         |

| Particulars                     | March 31, 2023 |                        | March 31, 2022 |                        |
|---------------------------------|----------------|------------------------|----------------|------------------------|
|                                 | Discount rate  | Salary escalation rate | Discount rate  | Salary escalation rate |
| a. -50 basis points             | 610.05         | 585.64                 | 704.04         | 660.53                 |
| a. -50 basis points impact (%)  | 2.05%          | -2.04%                 | 3.41%          | -2.98%                 |
| b. + 50 basis points            | 586.07         | 610.38                 | 658.94         | 702.13                 |
| b. + 50 basis points impact (%) | -1.97%         | 2.10%                  | -3.21%         | 3.13%                  |

## Sensitivity analysis method

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

## E Projected future contributions:

(₹ in lakh)

| Maturity profile                        | March 31, 2023 | March 31, 2022 |
|-----------------------------------------|----------------|----------------|
| Expected benefits for 1 year            | 119.84         | 71.32          |
| Expected benefits for 2 year            | 102.82         | 68.28          |
| Expected benefits for 3 year            | 88.95          | 61.37          |
| Expected benefits for 4 year            | 75.61          | 135.07         |
| Expected benefits for 5 year            | 67.15          | 44.99          |
| Expected benefits for 6 to 10 year      | 257.92         | 298.68         |
| Expected benefits for 10 year and above | 130.68         | 438.03         |

# Notes to the Financial Statements

for the year ended March 31, 2023

## F Disaggregation of assets

(₹ in lakh)

|                                 | As at March 31, 2023 |                  |               |
|---------------------------------|----------------------|------------------|---------------|
|                                 | Quoted value         | Non quoted value | Total         |
| Government debt instruments     | -                    | 49.72            | 49.72         |
| Other debt instruments          | -                    | 4.57             | 4.57          |
| Entity's own equity instruments | -                    | -                | -             |
| Insurer managed funds           | -                    | 296.36           | 296.36        |
| Others                          | -                    | 366.60           | 366.60        |
| <b>Grand Total</b>              | -                    | <b>717.25</b>    | <b>717.25</b> |

(₹ in lakh)

| Disaggregation of assets        | As at March 31, 2022 |                  |               |
|---------------------------------|----------------------|------------------|---------------|
|                                 | Quoted value         | Non quoted value | Total         |
| Government debt instruments     | -                    | 72.30            | 72.30         |
| Other debt instruments          | -                    | 5.46             | 5.46          |
| Entity's own equity instruments | -                    | -                | -             |
| Insurer managed funds           | -                    | 250.97           | 250.97        |
| Others                          | -                    | 351.10           | 351.10        |
| <b>Grand Total</b>              | -                    | <b>679.83</b>    | <b>679.83</b> |

(₹ in lakh)

| Particulars             | March 31, 2023 | March 31, 2022 |
|-------------------------|----------------|----------------|
| Actual return on assets | 36.44          | 63.75          |

## 4 Defined contribution plan

(₹ in lakh)

| Particulars                                                      | March 31, 2023 | March 31, 2022 |
|------------------------------------------------------------------|----------------|----------------|
| Contribution to employees' provident fund (Govt. Provident Fund) | 157.10         | 154.97         |
| Contribution to employees' pension scheme (Govt. Pension Fund)   | 37.15          | 46.65          |
| Contribution to ESIC fund                                        | 0.07           | 0.12           |
| Contribution to MLW fund                                         | 0.15           | 0.14           |



# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 31 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

### 5 Related party disclosures

#### (a) List of related parties:

##### Relationship

##### Ultimate holding company

Grasim Industries Limited

##### Promoter and Promter Group\*

Umang Commercial Co. Pvt. Ltd.

##### Holding company

Aditya Birla Capital Limited

\* The Company has been identified as a Related Party as per the 6<sup>th</sup> Amendment to SEBI, LODR regulations (2015) w.e.f. April 01,2022

##### Relationship

##### Shareholder holding >20%

Infocyper India Private Limited

##### Fellow subsidiaries

Aditya Birla Finance Ltd (ABFL)

Aditya Birla Financial Shared Services Limited (ABFSSL)

Aditya Birla Money Mart Limited (ABMML)

Aditya Birla Sun Life Insurance Company Limited (ABSLI) (formerly known as Birla Sun life Insurance Company Limited)

Aditya Birla Money Limited (ABML)

Aditya Birla Housing Finance Limited (ABHFL)

Aditya Birla Health Insurance Limited (ABHIL)

Aditya Birla Capital Technology Services Limited (ABCTSL)

Aditya Birla ARC Limited

Aditya Birla Sun Life Pension Management Ltd

Aditya Birla PE Advisors Pvt Ltd

Aditya Birla Wellness Private Limited

Aditya Birla Sun Life AMC Limited

##### Key Management Personnel:

Mr. Sandeep Dadia (Chief Executive Officer)

Mr. M. M. Bhagat (Director)

Mr. Adesh Gupta (Director)

Mr. Vijay Agrawal (Director)

##### Other related party

Grasim Industries Limited Employee Gratuity Fund

Notes:

- (i) The relationships as mentioned above except where control exists pertain to those related parties with whom transactions have taken place during the year.



# Notes to the Financial Statements

for the year ended March 31, 2023

The following inter company transactions/balances with Holding Company/Fellow Subsidiaries have taken place during the period under review and are included in the above figures under respective heads:

| Particulars                                                                   | (₹ in lakh)                  |                              |
|-------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                               | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
| <b>Promoter and Promter Group</b>                                             |                              |                              |
| <b>Umang Commercial Co. Pvt. Ltd.</b>                                         |                              |                              |
| <b>Interest Income:</b>                                                       |                              |                              |
| Umang commercial Co. Pvt. Ltd.<br>(Interest on ICD)                           | 130.93                       | -                            |
| <b>Financial assets : Receivables from related parties</b>                    |                              |                              |
| Umang commercial Co. Pvt. Ltd.<br>(ICD)                                       | -                            | -                            |
| <b>Other Transactions :</b>                                                   |                              |                              |
| Umang commercial Co. Pvt. Ltd.<br>(Redeemed ICD)                              | 1,800.00                     | -                            |
| <b>Holding Company</b>                                                        |                              |                              |
| <b>Aditya Birla Capital Limited:</b>                                          |                              |                              |
| <b>Dividend Paid</b>                                                          |                              |                              |
| Aditya Birla Capital Limited                                                  | 3,001.17                     | 1,795.57                     |
| <b>Other Comprehensive Income/(Loss):</b>                                     |                              |                              |
| Aditya Birla Capital Limited                                                  | (4.40)                       | 0.30                         |
| <b>Expenses Reimbursed</b>                                                    |                              |                              |
| Aditya Birla Capital Limited<br>(Other expenses)                              | 71.68                        | 57.28                        |
| Aditya Birla Capital Limited<br>(Employee benefit expense)                    | 211.35                       | 172.32                       |
| Aditya Birla Capital Limited -<br>(ESOP expense)                              | 7.15                         | 34.35                        |
| <b>Trade Payable</b>                                                          |                              |                              |
| Aditya Birla Capital Limited<br>(Payable against expenses)                    | 37.78                        | 31.16                        |
| <b>Other shareholder:</b>                                                     |                              |                              |
| <b>Dividend Paid</b>                                                          |                              |                              |
| Infocyper India Private Limited                                               | 2,700.84                     | 1,795.43                     |
| <b>Fellow subsidiaries:</b>                                                   |                              |                              |
| <b>Income from operations</b>                                                 |                              |                              |
| Aditya Birla Health Insurance Limited<br>(General insurance brokerage)        | 39.56                        | 48.97                        |
| Aditya Birla Sun life Insurance Company Limited<br>(Life Insurance Brokerage) | 50.73                        | 80.89                        |
| <b>Other Comprehensive Income/(Loss):</b>                                     |                              |                              |
| Aditya Birla Financial Shared Services Limited                                | 0.29                         | 0.96                         |

# Notes to the Financial Statements

for the year ended March 31, 2023

(₹ in lakh)

| Particulars                                                                                                                  | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Interest income</b>                                                                                                       |                              |                              |
| Aditya Birla Capital Technology Services Limited<br>(Formerly known as Aditya Birla Myuniverse Limited)<br>(Interest on ICD) | 133.15                       | 128.78                       |
| Aditya Birla Money Mart Limited<br>(Interest on ICD)                                                                         | 81.61                        | -                            |
| Aditya Birla Financial Shared Services Limited<br>(Interest on ICD)                                                          | 173.18                       | 131.51                       |
| <b>Expenses recovered</b>                                                                                                    |                              |                              |
| Aditya Birla Health Insurance Co. Ltd<br>(Rent Expenses)                                                                     | 0.82                         | 3.22                         |
| Aditya Birla Finance Limited<br>(Rent Expenses)                                                                              | 2.62                         | 3.84                         |
| Aditya Birla Finance Limited<br>(Employee Benefit Expenses -Transfer of employee dues)                                       | -                            | 0.92                         |
| Aditya Birla Finance Limited<br>(Sale of Asset)                                                                              | 9.71                         | 0.71                         |
| Aditya Birla Sun Life Insurance Company Limited<br>(Rent expenses)                                                           | 8.97                         | 5.24                         |
| Aditya Birla Sun Life Insurance Company Limited<br>(Employee Benefit Expenses -Transfer of employee dues)                    | 3.91                         | 3.35                         |
| Aditya Birla Money Limited<br>(Rent expenses)                                                                                | 20.26                        | 19.13                        |
| Aditya Birla Money Limited (Other expenses)                                                                                  | 0.28                         | -                            |
| Aditya Birla Money Mart Limited<br>(Insurance & Other Expenses)                                                              | 6.07                         | 3.16                         |
| Aditya Birla ARC Limited<br>(Other Expenses)                                                                                 | 0.85                         | -                            |
| Aditya Birla Sun Life Pension Management Ltd<br>(Employee Benefit Expenses -Transfer of employee dues)                       | -                            | 0.58                         |
| <b>Expenses reimbursed</b>                                                                                                   |                              |                              |
| Aditya Birla Finance Limited<br>(Rent expenses)                                                                              | 2.39                         | 2.29                         |
| Aditya Birla Finance Limited<br>(Employee Benefit Expenses)                                                                  | 2.87                         | 23.99                        |
| Aditya Birla Finance Limited<br>(Other Expenses)                                                                             | 0.79                         | 0.43                         |
| Aditya Birla Sun Life Insurance Company Limited<br>(Rent deposit)                                                            | 2.17                         | 3.77                         |
| Aditya Birla Sun Life Insurance Company Limited<br>(Rent expense)                                                            | 23.51                        | -                            |
| Aditya Birla Sun Life Insurance Company Limited<br>(Employee Benefit Expenses)                                               | 2.48                         | 9.91                         |
| Aditya Birla Financial Shared Services Limited<br>(Employee Benefit expenses)                                                | 111.85                       | 31.32                        |
| Aditya Birla Financial Shared Services Limited<br>(Service Hire expenses)                                                    | 1.16                         | 109.14                       |
| Aditya Birla Financial Shared Services Limited<br>(Other expenses)                                                           | 387.56                       | 185.31                       |

# Notes to the Financial Statements

for the year ended March 31, 2023

| Particulars                                                                              | (₹ in lakh)                  |                              |
|------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                          | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
| Aditya Birla Housing Finance Limited<br>(Rent expenses)                                  | 0.34                         | -                            |
| Aditya Birla Health Insurance Limited<br>(Employee dues transfer)                        | 48.02                        | 2.96                         |
| Aditya Birla Capital Technology Services Limited<br>(Other expenses)                     | 49.94                        | 45.73                        |
| Aditya Birla Sun Life AMC Limited<br>(Rent expenses)                                     | 0.05                         | 0.36                         |
| Aditya Birla PE Advisors Pvt Ltd<br>(Other Expenses)                                     | -                            | 0.25                         |
| Aditya Birla Wellness Private Limited<br>(Employee Benefit Expenses)                     | 2.47                         | 0.30                         |
| Grasim Industries Limited<br>(Transfer of Employee Dues)                                 | 1.73                         | 2.19                         |
| <b>Contribution to Gratuity Fund :</b>                                                   |                              |                              |
| Grasim Industries Limited Employee Gratuity Fund                                         | 0.99                         | 36.78                        |
| <b>Other Transactions :</b>                                                              |                              |                              |
| Aditya Birla Sun Life Insurance Company Limited<br>(Reinsurance premium received)        | 25.93                        | 37.23                        |
| Aditya Birla Sun Life Insurance Company Limited<br>(Group term policy premium paid)      | 35.16                        | -                            |
| <b>Key Management Personnel:</b>                                                         |                              |                              |
| Mr. Sandeep Dadia *                                                                      | 685.76                       | 489.70                       |
| Mr. M. M. Bhagat                                                                         | 10.20                        | 3.20                         |
| Mr. Adesh Gupta                                                                          | -                            | 1.50                         |
| Mr. Vijay Agrawal                                                                        | 10.20                        | 8.70                         |
| <b>Trade Payables :</b>                                                                  |                              |                              |
| Aditya Birla Sun Life Insurance Company Limited<br>(Payable against expenses)            | -                            | -                            |
| Aditya Birla Housing Finance Limited<br>(Payable against expenses)                       | 0.37                         | -                            |
| Aditya Birla Financial Shared Services Limited<br>(Payable against expenses)             | 64.40                        | 16.71                        |
| Aditya Birla Capital Technology Services Limited<br>(Payable against expenses)           | 2.32                         | 3.56                         |
| Aditya Birla Wellness Private Limited<br>(Payable against expenses)                      | -                            | -                            |
| Aditya Birla Sun Life AMC Limited<br>(Payable against expenses)                          | -                            | 0.39                         |
| Grasim Industries Limited<br>(Payable against expenses)                                  | -                            | -                            |
| Financial assets : Receivables from related parties                                      |                              |                              |
| Aditya Birla Sun Life Insurance Company Limited<br>(Receivable against rent)             | 5.85                         | 6.68                         |
| Aditya Birla Sun Life Insurance Company Limited<br>(Receivable against security deposit) | 5.94                         | -                            |
| Aditya Birla Health Insurance Limited<br>(Receivable against rent)                       | 0.68                         | -                            |

# Notes to the Financial Statements

for the year ended March 31, 2023

(₹ in lakh)

| Particulars                                                                                                                   | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Aditya Birla Finance Limited<br>(Receivable against expenses)                                                                 | -                            | 11.17                        |
| Aditya Birla Money Limited<br>(Receivable against rent - Net off)                                                             | 11.81                        | 15.52                        |
| Aditya Birla Money Mart Limited<br>(Receivable against expense)                                                               | 0.76                         | -                            |
| Aditya Birla Capital Technology Services Limited<br>(Receivable against ICD)                                                  | -                            | 2,000.00                     |
| Aditya Birla Money Mart Limited<br>(Receivable against ICD)                                                                   | -                            | -                            |
| Aditya Birla Financial Shared Services Limited<br>(Receivable against ICD)                                                    | 2,375.00                     | 2,000.00                     |
| Aditya Birla ARC Limited<br>(Receivable against expense)                                                                      | 0.93                         |                              |
| <b>Other current assets (non financial):</b>                                                                                  |                              |                              |
| Aditya Birla Financial Shared Services Limited<br>(Prepaid expenses)                                                          | 20.44                        | 13.55                        |
| Aditya Birla Capital Technology Services Limited<br>(Formerly known as Aditya Birla Myuniverse Limited)<br>(Prepaid expenses) | 1.63                         | 1.18                         |
| <b>Trade and other receivables/(payables):</b>                                                                                |                              |                              |
| Aditya Birla Sun Life Insurance Company Limited<br>(Life Insurance Brokerage)                                                 | 1.76                         | 7.16                         |
| Aditya Birla Health Insurance Limited<br>(General insurance brokerage)                                                        | (6.56)                       | (6.65)                       |

Notes:

- Expenses are net of GST
- Payables/Receivables are net of TDS

\* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.

# Notes to the Financial Statements

for the year ended March 31, 2023

## 6 Financials ratios:

| Sr No. | Particulars                      | Formula                                      | March 31, 2023<br>(₹ in Lakh) | Ratio | March 31, 2022<br>(₹ in Lakh) | Ratio | Change in % | Remarks for Variation of more than 25%                                                        |
|--------|----------------------------------|----------------------------------------------|-------------------------------|-------|-------------------------------|-------|-------------|-----------------------------------------------------------------------------------------------|
| 1      | Current Ratio                    | Current Assets                               | 22,357.10                     | 1.61  | 20,370.54                     | 1.40  | 15%         | Not applicable                                                                                |
|        |                                  | Current Liabilities                          | 13,890.94                     |       | 14,590.58                     |       |             |                                                                                               |
| 2      | Return on Equity Ratio           | Net Profits after taxes                      | 7,258.48                      | 0.53  | 6,405.92                      | 0.55  | -4%         | Not applicable                                                                                |
|        |                                  | Average Shareholder's Equity                 | 13,607.69                     |       | 11,552.48                     |       |             |                                                                                               |
| 3      | Trade Receivables turnover Ratio | Revenue from operations                      | 60,714.09                     | 10.94 | 68,451.75                     | 9.76  | 12%         | Not applicable                                                                                |
|        |                                  | Average Trade Receivable                     | 5,551.86                      |       | 7,016.33                      |       |             |                                                                                               |
| 4      | Trade payables turnover Ratio    | Fees and commission expense + Other expenses | 45,026.82                     | 4.93  | 52,723.11                     | 5.91  | -17%        | Not applicable                                                                                |
|        |                                  | Average Trade Payable                        | 9,130.00                      |       | 8,923.83                      |       |             |                                                                                               |
| 5      | Net capital turnover Ratio       | Revenue from operations                      | 60,714.09                     | 7.17  | 68,451.75                     | 11.84 | -39%        | Trade payables have increased significantly as compared to Revenue resulting in said variance |
|        |                                  | Working Capital*                             | 8,466.16                      |       | 5,779.96                      |       |             |                                                                                               |
| 6      | Net profit Ratio                 | Net Profit After Tax                         | 7,258.48                      | 0.12  | 6,405.92                      | 0.09  | 33%         | Increase in other income as compared to previous year as resulted in said variance            |
|        |                                  | Revenue from operations                      | 60,714.09                     |       | 68,451.75                     |       |             |                                                                                               |
| 7      | Return on capital employed       | Earning Before Interest & Tax                | 9,797.42                      | 0.69  | 8,681.19                      | 0.67  | 3%          | Not applicable                                                                                |
|        |                                  | Capital Employed (Total Equity)              | 14,246.69                     |       | 12,968.69                     |       |             |                                                                                               |

\* Working capital= Current Assets- Current Liabilities

Note:

- i Inventory Turnover Ratio Company's operation are in service section hence, this ratio does not applicable
- ii Debt-equity ratio As the company does not have debts the said ratio is not applicable
- ii Debt service coverage ratio As the company does not have debts the said ratio is not applicable
- iv Return on investment This ratio is not applicable since the Company does not have any projects / investments other than current operations.

## 7 Financial Risk Management Objectives And Policies

Company's risk philosophy involves a competent and comprehensive risk management framework & robust policies and processes which minimise the element of uncertainty and help in developing and maintaining a healthy portfolio within its risk appetite and the regulatory framework. The Risk Management provides stability and balance ensuring that growth is backed by a robust portfolio. Company is exposed to various types of risks such as credit risk, market risk (which includes liquidity risk and pricing risk), operational risk, legal risk, regulatory risk and competition risk.

# Notes to the Financial Statements

for the year ended March 31, 2023

Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with best practices. The Board of Directors have an oversight over the risk management framework applicable to the Company. The risk management oversight structure includes various Committees such as Risk Management Committee which consist of Board members and Senior Management.

## 7.1 Market risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Market Risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and loans.

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

### Assumptions

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

### 7.1.1 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's exposure to the risk of changes in market interest rates relates primarily to the Company's inter corporate deposits. The interest rate on inter corporate deposits is largely of fixed nature, hence the company is not exposed to interest rate risk.

### 7.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company does not have significant exposure of foreign exchange, hence the Company is not expose to foreign currency risk

## 7.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

# Notes to the Financial Statements

for the year ended March 31, 2023

## 7.2.1 Trade receivables

Debtor's credit risk is managed by the company subject to the Company's established policy, procedures and control relating to Debtor's credit risk management. Outstanding Debtors are regularly monitored.

(₹ in lakh)

| As at<br>March 31, 2023 | Neither past<br>due nor<br>impaired | Past due but not impaired |               |               |                |               | Total           |
|-------------------------|-------------------------------------|---------------------------|---------------|---------------|----------------|---------------|-----------------|
|                         |                                     | < 30 days                 | 30 to 60 days | 61 to 90 days | 91 to 120 days | > 120 days    |                 |
| Trade Receivables       | -                                   | 2,924.23                  | 98.02         | 50.67         | 33.34          | 164.65        | 3,270.91        |
| <b>Total</b>            | -                                   | <b>2,924.23</b>           | <b>98.02</b>  | <b>50.67</b>  | <b>33.34</b>   | <b>164.65</b> | <b>3,270.91</b> |

(₹ in lakh)

| As at<br>March 31, 2022 | Neither past<br>due nor<br>impaired | Past due but not impaired |               |               |                |               | Total           |
|-------------------------|-------------------------------------|---------------------------|---------------|---------------|----------------|---------------|-----------------|
|                         |                                     | < 30 days                 | 30 to 60 days | 61 to 90 days | 91 to 120 days | > 120 days    |                 |
| Trade Receivables       | -                                   | 7,680.01                  | 113.70        | 111.63        | 50.54          | 396.45        | 8,352.33        |
| <b>Total</b>            | -                                   | <b>7,680.01</b>           | <b>113.70</b> | <b>111.63</b> | <b>50.54</b>   | <b>396.45</b> | <b>8,352.33</b> |

₹ in lakh

| ECL movement allowances     | Amount        |
|-----------------------------|---------------|
| <b>As at April 01, 2021</b> | 220.90        |
| Provided during the year    | 179.16        |
| Amounts written off         | (110.36)      |
| <b>As at March 31, 2022</b> | 289.70        |
| Provided during the year    | 102.85        |
| Amounts written off         | (162.73)      |
| <b>As at March 31, 2023</b> | <b>229.82</b> |

## 7.2.2 Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company Management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Authorised Persons and updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

## 7.3 Liquidity risk

The Company monitors its Liquidity position on a regular basis and the same is managed by the Company Management.

The Company invests its surplus funds in bank fixed deposit, inter corporate deposits and schemes of mutual funds, which carry no or low mark to market risks.

# Notes to the Financial Statements

for the year ended March 31, 2023

## Maturity profile of financial assets and liabilities

The table below provides details regarding the remaining contractual maturities of financial assets and liabilities at the reporting date based on contractual undiscounted payments.

(₹ in lakh)

| As at March 31, 2023         | Less than a year | 1 to 2 years  | 2 to 3 years  | 3 to 5 years | > 5 years   | Total            |
|------------------------------|------------------|---------------|---------------|--------------|-------------|------------------|
| <b>Financial assets</b>      |                  |               |               |              |             |                  |
| Cash and cash equivalents    | 89.49            | -             | -             | -            | -           | 89.49            |
| Bank Balance other           | 565.14           | -             | -             | -            | -           | 565.14           |
| Loans- Other                 | 2,391.48         | -             | -             | -            | -           | 2,391.48         |
| Current investments          | 15,238.45        | -             | -             | -            | -           | 15,238.45        |
| Trade and other receivables  | 3,270.91         | -             | -             | -            | -           | 3,270.91         |
| Other financials assets      | 58.80            | 234.88        | 86.63         | 69.91        | 4.96        | 455.18           |
| <b>Total</b>                 | <b>21,614.27</b> | <b>234.88</b> | <b>86.63</b>  | <b>69.91</b> | <b>4.96</b> | <b>22,010.65</b> |
| <b>Financial Liabilities</b> |                  |               |               |              |             |                  |
| Trade Payables               | 8,954.06         | -             | -             | -            | -           | 8,954.06         |
| Other financial liabilities  | 2,805.95         | -             | -             | -            | -           | 2,805.95         |
| Lease liabilities            | 409.18           | 367.37        | 176.87        | 86.71        | 1.26        | 1,041.39         |
| <b>Total</b>                 | <b>12,169.19</b> | <b>367.37</b> | <b>176.87</b> | <b>86.71</b> | <b>1.26</b> | <b>12,801.40</b> |

(₹ in lakh)

| As at March 31, 2022         | Less than a year | 1 to 2 years  | 2 to 3 years  | 3 to 5 years  | > 5 years    | Total            |
|------------------------------|------------------|---------------|---------------|---------------|--------------|------------------|
| <b>Financial assets</b>      |                  |               |               |               |              |                  |
| Cash and cash equivalents    | 157.77           | -             | -             | -             | -            | 157.77           |
| Bank Balance other           | 687.74           | -             | -             | -             | -            | 687.74           |
| Loans- Other                 | 5,836.11         | -             | -             | -             | -            | 5,836.11         |
| Current investments          | 4,503.93         | -             | -             | -             | -            | 4,503.93         |
| Trade and other receivables  | 8,352.33         | -             | -             | -             | -            | 8,352.33         |
| Other financials assets      | 35.97            | 27.03         | 261.59        | 66.00         | 13.06        | 403.65           |
| <b>Total</b>                 | <b>19,573.85</b> | <b>27.03</b>  | <b>261.59</b> | <b>66.00</b>  | <b>13.06</b> | <b>19,941.53</b> |
| <b>Financial Liabilities</b> |                  |               |               |               |              |                  |
| Trade Payables               | 9,305.93         | -             | -             | -             | -            | 9,305.93         |
| Other financial liabilities  | 3,055.96         | -             | -             | -             | -            | 3,055.96         |
| Lease liabilities            | 405.29           | 409.84        | 367.56        | 273.98        | 24.78        | 1,481.45         |
| <b>Total</b>                 | <b>12,767.18</b> | <b>409.84</b> | <b>367.56</b> | <b>273.98</b> | <b>24.78</b> | <b>13,843.34</b> |

## 7.4 Capital risk management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.



# Notes to the Financial Statements

for the year ended March 31, 2023

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company's monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as equity' as shown in the balance sheet plus net debt.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt. However as on balance sheet date, the Company does not have any debts.

## 7.5 Operational & business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit

## 8 Financial Instruments - Accounting Classifications and Fair Value Measurements

The management assessed that, the fair value, of cash and cash equivalents, other bank balance, trade receivable, other financial assets and financial liabilities approximate their carrying amounts, largely due to their short term maturities

### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method at March 31, 2023. The different levels have been defined as follows:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:

| Financial assets    | Date of valuation | Total value<br>(₹ in lakh) | Fair value measurement using (₹ In lakh)                                                                      |                                                                                                                                                                          |                                                                                                                                                  |
|---------------------|-------------------|----------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
|                     |                   |                            | Level 1 — Quoted<br>(unadjusted) market<br>prices in active markets<br>for identical assets or<br>liabilities | Level 2 — Valuation<br>techniques for which<br>the lowest level input<br>that is significant to the<br>fair value measurement<br>is directly or indirectly<br>observable | Level 3 — Valuation<br>techniques for which<br>the lowest level input<br>that is significant to the<br>fair value measurement<br>is unobservable |
| Current Investments | March 31, 2023    | 15,238.45                  | 15,238.45                                                                                                     | -                                                                                                                                                                        | -                                                                                                                                                |
| Current Investments | March 31, 2022    | 4,503.93                   | 4,503.93                                                                                                      | -                                                                                                                                                                        | -                                                                                                                                                |

# Notes to the Financial Statements

for the year ended March 31, 2023

## 9 Disclosure Pursuant to section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the Company disclose the following details of struck off Companies

(₹ in lakh)

| Name of the struck off company | Nature of transactions with struck off company | Transactions with struck off company for the year March 31, 2023 | Transactions with struck off company for the year March 31, 2022 | Balance outstanding as at March 31, 2023 | Balance outstanding as at March 31, 2022 | Relationship with the struck off company, if any, to be disclosed |
|--------------------------------|------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------------------------------|
| Rainbow Automotive Pvt Ltd     | Payables                                       | -                                                                | 2.33                                                             | -                                        | 0.04                                     | Vendor                                                            |
| Dimple Motors Pvt Ltd          | towards                                        | 0.30                                                             | 0.63                                                             | 0.56                                     | 0.42                                     | Vendor                                                            |
| Vintage Motors Pvt. Ltd        | distribution fees                              | 0.08                                                             | -                                                                | 0.20                                     | 0.12                                     | Vendor                                                            |
| The Riders Zone Pvt Ltd        |                                                | -                                                                | -                                                                | 0.17                                     | 0.17                                     | Vendor                                                            |

## 10 Disclosure Pursuant to Indian Accounting Standard 116 - Leases is as under:

The weighted average incremental borrowing rate applied to lease liabilities as at March 31, 2023 is between the range of 4.56 % to 6.41 % for a period varying from 1 to 10 years.

Critical accounting judgements and key sources of estimation uncertainty

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Determination of whether variable payments are in-substance fixed;

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

### 10.1 Amounts recognised in profit and loss for the year ended March 31, 2023

(₹ in lakh)

| Particulars                                    | Year ended March 31, 2023 | Year ended March 31, 2022 |
|------------------------------------------------|---------------------------|---------------------------|
| Amortisation expense on right-of-use assets    | 360.73                    | 347.66                    |
| Interest expense on lease liabilities          | 71.07                     | 78.88                     |
| Expense relating to short-term leases          | 6.40                      | 15.07                     |
| Expense relating to leases of low value assets | 5.49                      | 4.90                      |
| Gain on discarding of Lease Asset              | (7.08)                    | (7.11)                    |
| <b>Total</b>                                   | <b>436.61</b>             | <b>439.40</b>             |

# Notes to the Financial Statements

for the year ended March 31, 2023

## 10.2 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

(₹ in lakh)

| Particulars          | March 31, 2023  | March 31, 2022  |
|----------------------|-----------------|-----------------|
| Less than one year   | 409.18          | 405.29          |
| One to Five years    | 630.96          | 1,051.38        |
| More than Five years | 1.26            | 24.78           |
| <b>Total</b>         | <b>1,041.40</b> | <b>1,481.45</b> |

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

11 The Company has single reportable segment viz–insurance advisory & broking services for the purpose of IND AS 108 on ‘Segment Reporting’. The Company does not have any reportable geographical segment

## 12 Earnings per share (basic and diluted):

(₹ in lakh)

| Particulars                                                        | March 31, 2023 | March 31, 2022 |
|--------------------------------------------------------------------|----------------|----------------|
| Net profit after tax available for equity shareholders (₹ in lakh) | 7,258.48       | 6,405.92       |
| Weighted average number of equity shares outstanding (Nos):        |                |                |
| Number of shares at the beginning of the year (in lakh)            | 51.30          | 51.30          |
| Number of shares at the end of the year (in lakh)                  | 51.30          | 51.30          |
| Earning per share (₹)                                              | 141.49         | 124.87         |
| Face value of share (₹)                                            | 10             | 10             |

13 The details of the clients from where the Company has earned more than 10% of its total revenue are as under:-

| Sr. No. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---------|-----------------------------------|-----------------------------------|
| A       | 21.48%                            | 17.80%                            |
| B       | 14.52%                            | 16.12%                            |

14 Pursuant to ESOP Plan being established by the holding company (i.e. Aditya Birla Capital Limited), stock options were granted to the employees of the Company during the financial year. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of ₹ 7.15 lakh (Previous year ₹34.35 lakh) has been recovered from the Company during the year, which has been charged to the Statement of Profit and Loss. The balance sum of ₹ 0.65 lakh (Previous year ₹7.27 Lakh) will be charged to the statement of Profit and Loss in future periods.

15 Disclosure of details as required under amended guidelines as per Regulation 34 (6) of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 has been given under Annexure 1 to these financial statements.

# Notes to the Financial Statements

for the year ended March 31, 2023

- 16** To the best of information of management of the Company, the disclosure requirements as per Gazette notification for Amendments pertaining to following matters are not applicable in the case of the Company.
- (a) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year
  - (b) The Company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
  - (c) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (d) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the companies (Restriction on number of layer) Rules, 2017.
  - (e) The Company has not entered in any scheme of arrangement under section 230 to 237 of Companies Act 2013.
  - (f) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (g) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
  - (h) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year
  - (i) The Company has not taken any loans or other borrowings from any lender. Further the Company does not have any sanctioned loan limit.
- 17** The figures in respect of the previous year have been regrouped / rearranged, wherever necessary to make them comparable.

For and on behalf of the Board of Directors of  
**Aditya Birla Insurance Brokers Limited**

**Vijay Agarwal**  
Director  
DIN:00058548

**Anantha Dhananjaya**  
Director  
DIN:01744569

**Sandeep Dadia**  
Chief Executive Officer

**Jaibind Sahu**  
Company Secretary

Place: Mumbai  
Date: April 26, 2023

# Notes to the Financial Statements

for the year ended March 31, 2023

## ANNEXURE -1 (REFER NOTE 31(15))

### (A) Detail of income received from insurers (Refer note below the table):

| Name of insurer                                  | ₹ in lakh      |                |
|--------------------------------------------------|----------------|----------------|
|                                                  | March 31, 2023 | March 31, 2022 |
| Aditya Birla Health Insurance Co Ltd             | 47.12          | 49.25          |
| HDFC Ergo General Insurance Co. Ltd              | 4,823.98       | 4,566.22       |
| Bajaj Allianz General Insurance Co. Ltd          | 4,578.38       | 5,090.88       |
| Bharti Axa General Insurance Company Limited     | 11.22          | 1,600.12       |
| Cignatkk Health Insurance Company Limited        | 15.55          | 2.57           |
| Cholamandlam MS General Insurance Co. Ltd        | 4,261.66       | 3,862.41       |
| ECGC of India Ltd.                               | 47.44          | 19.66          |
| Go Digit General Insurance Limited               | 3,411.33       | 2,730.51       |
| Future Generali India Insurance Company Limited  | 1,582.84       | 2,650.29       |
| ICICI Lombard General Insurance Co. Ltd          | 8,754.17       | 10,894.79      |
| Iffco Tokio General Insurance Co. Ltd            | 2,356.54       | 2,326.61       |
| Kotak Mahindra General Insurance Co Ltd          | 166.77         | 372.30         |
| Liberty General Insurance Co. Ltd.               | 2,899.16       | 3,382.96       |
| Magma HDI General Insurance Co Ltd               | 3,214.46       | 2,468.09       |
| Niva Bupa Health Insurance Co. Ltd.              | 4.10           | 6.23           |
| National Insurance Co. Ltd                       | 124.25         | 87.38          |
| Raheja QBE General Insurance Company Limited     | 1,654.94       | 1,859.59       |
| Reliance General Insurance Co. Ltd               | 3,103.01       | 5,057.97       |
| Care Health Insurance Limited                    | 27.55          | 50.72          |
| Royal Sundaram General Insurance Co. Ltd         | 61.98          | 120.60         |
| SBI General Insurance Co. Ltd.                   | 2,494.66       | 4,343.18       |
| Shriram General Insurance Company Limited        | 3.70           | 5.02           |
| Star Health and Allied Insurance Company Limited | 13.22          | 31.62          |
| Tata AIG General Insurance Co. Ltd               | 1,927.27       | 2,332.94       |
| The New India Assurance Co. Ltd                  | 12,962.33      | 12,029.88      |
| The Oriental Insurance Co. Ltd                   | 334.40         | 308.70         |
| United India Insurance Co. Ltd                   | 546.72         | 573.72         |
| Universal Sompo General Insurance Co. Ltd.       | 727.71         | 19.60          |
| Aditya Birla Sun Life Insurance Co. Ltd.         | 55.13          | 70.75          |
| Hdfc Standard Life Insurance Co Ltd              | 5.22           | 0.97           |
| ICICI Prudential Life Insurance Company Limited  | 14.33          | 25.14          |
| India First Life Insurance Co.Ltd                | 3.17           | 3.66           |
| Kotak Life Insurance Ltd                         | 3.04           | 8.97           |
| Max Life Insurance Co Ltd                        | 5.91           | 1.05           |
| PNB Metlife India Insurance Company Limited      | 0.23           | 2.95           |
| Edelweiss General Insurance Company Limited      | 2.16           | 2.83           |
| SBI Life Insurance Company Limited               | 0.99           | 3.97           |



# Notes to the Financial Statements

for the year ended March 31, 2023

(₹ in lakh)

| Name of insurer                                   | March 31, 2023 | March 31, 2022 |
|---------------------------------------------------|----------------|----------------|
| Aegon Life Insurance Company Limited              | 0.01           | 0.64           |
| Aviva Life Insurance Company India Limited        | 5.36           | 3.12           |
| Life Insurance Corporation Of India               | 5.80           | 0.50           |
| Associated Insurance Brokers                      | 24.31          | -              |
| Bajaj Allianz Life Insurance Company Limited      | 1.72           | -              |
| Lockton Wattana Insurance Brokers (Thailand) Ltd. | 13.88          | -              |
| Pramerica Life Insurance Limited                  | 1.07           | -              |
| Pt. Howden Insurance Brokers Indonesia            | 2.04           | -              |
| Pt. Talisman Insurance Brokers                    | 34.73          | -              |
| Star Union Dai-Ichi Life Insurance Company        | 0.60           | -              |
| Tata Aia Life Insurance Company Limited           | 4.01           | 3.38           |

**Note:**

The information provided in above table is excluding reinsurance brokerage as the same is received from reinsurers

**(B) Detail of payments received by the group companies from insurers (Refer note below the table):**

(₹ in lakh)

| Company name                                           | Name of Insurer                             | Nature of payment                      | March 31, 2023              | March 31, 2022 |        |
|--------------------------------------------------------|---------------------------------------------|----------------------------------------|-----------------------------|----------------|--------|
| Aditya Birla Housing Finance Ltd                       | Liberty Videocon General Insurance Co. Ltd. | Insurance Commission                   | 79.40                       | 111.53         |        |
|                                                        | Reliance General Insurance Co. Ltd          | Insurance Commission                   | 182.39                      | 196.33         |        |
|                                                        | Aditya Birla Health Insurance Co Ltd        | Insurance Commission                   | 152.04                      | 98.38          |        |
|                                                        | Aditya Birla Sun life Insurance Co Ltd      | Insurance Commission                   | 192.66                      | 156.38         |        |
|                                                        | Go Digit Insurance Ltd                      | Insurance Commission                   | 64.69                       | 16.11          |        |
|                                                        | ICICI Lombard General Insurance Co Ltd      | GPA Policy Refund                      | -                           | 0.02           |        |
|                                                        | Tata AIG General Insurance Co. Ltd          | Claim-Laptop Damage/theft              | 0.27                        | 0.19           |        |
| Aditya Birla Sun life Insurance Co Ltd                 | Aditya Birla Health Insurance Co Ltd        | Recovery of expenses                   | 72.55                       | 18.21          |        |
|                                                        |                                             | Security deposit received              | 36.39                       | 48.08          |        |
|                                                        |                                             | Group mediclaim premium                | 99.35                       | 1.69           |        |
|                                                        |                                             | Transfer of Asset                      | 0.67                        | -              |        |
|                                                        |                                             | Reimbursement of Rent                  | 348.31                      | 12.88          |        |
| Aditya Birla Money Insurance Advisory Services Limited | Tata AIG General Insurance Co. Ltd          | Refund of Premium                      | -                           | 0.10           |        |
|                                                        |                                             | Aditya Birla Sun life Insurance Co Ltd | Insurance Commission        | 300.23         | 265.12 |
|                                                        |                                             | Liberty General Insurance Ltd.         | Insurance Commission        | 308.44         | 243.88 |
|                                                        |                                             | Reliance General Insurance Co. Ltd.    | Insurance Commission        | 470.65         | 265.53 |
|                                                        |                                             | Aditya Birla Health Insurance Co. Ltd. | Insurance Commission        | 215.81         | 77.57  |
| Grasim Industries Ltd                                  | Tata AIG General Insurance Co. Ltd          | Insurance Commission                   | 0.05                        | 2.64           |        |
|                                                        |                                             | The New India Assurance Co. Ltd.       | Office package policy claim | -              | 1.66   |
|                                                        |                                             | Insurance Claim                        | -                           | 2.30           |        |
|                                                        |                                             | Refund related to various policy       | -                           | 272.19         |        |
|                                                        |                                             | Mega policy claim                      | -                           | 56.39          |        |
|                                                        |                                             | Bajaj Allianz General Insurance Co.    | Refund -Crime Policy        | -              | 0.22   |
|                                                        |                                             | Life Insurance Corporation Of India    | Refund of Mega Policy 20-21 | -              | 133.17 |
| Tata AIG General Insurance Co. Ltd                     | Office package policy claim                 | -                                      | 0.04                        |                |        |

# Notes to the Financial Statements

for the year ended March 31, 2023

(₹ in lakh)

| Company name                                     | Name of Insurer                              | Nature of payment                              | March 31, 2023 | March 31, 2022 |
|--------------------------------------------------|----------------------------------------------|------------------------------------------------|----------------|----------------|
| Aditya Birla Finance Limited                     | Tata-Aig General Insurance Co. Ltd           | Office package policy claim/ Insurance Claim   | 0.83           | 0.54           |
|                                                  | Reliance General Insurance Co. Ltd           | Insurance Claim                                | 3.73           | 0.34           |
|                                                  | The New India Assurance Co. Ltd.             | Insurance Claim                                | 9.42           | -              |
|                                                  | ICICI Lombard General Insurance Co. Ltd      | Policy Cancelled refund                        | -              | 0.53           |
| Aditya Birla Money Limited                       | Aditya Birla Sun Life Insurance Co Ltd       | Recovery of expenses-Rental charges            | -              | -              |
| Aditya Birla Health Insurance Co Ltd             | Edelweiss General Insurance Company Limited  | Co-Insurance premium                           | -              | 15.16          |
|                                                  | ICICI Lombard General Insurance Co. Ltd      | Co-Insurance premium                           | 443.19         | 327.44         |
|                                                  | HDFC Ergo General Insurance Co. Ltd          | Co-Insurance premium                           | 28.33          | 141.28         |
|                                                  | SBI General Insurance Co. Ltd.               | Co-Insurance premium                           | -              | 0.06           |
|                                                  | The New India Assurance Co. Ltd              | Co-Insurance premium                           | 1,840.75       | 387.46         |
|                                                  | Care Health Insurance Limited                | Co-Insurance premium                           | 40.46          | 12.77          |
|                                                  | Kotak Mahindra General Insurance Co Ltd      | Co-Insurance premium                           | -              | 22.21          |
|                                                  | ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED | Co-Insurance premium                           | 30.02          | -              |
|                                                  | TATA-AIG GENERAL INSURANCE CO. LTD           | Co-Insurance premium                           | 225.57         | -              |
|                                                  | The Oriental Insurance Co. Ltd               | Co-Insurance premium                           | 223.10         | -              |
| Aditya Birla Sun Life AMC Ltd                    | Tata AIG General Insurance Co. Ltd           | Insurance Claim for Damages                    | 6.64           | 0.01           |
|                                                  | United India Insurance Co. Ltd               | Insurance Claim for Damages                    | 1.03           | -              |
|                                                  | HDFC Ergo General Insurance Co. Ltd          | Claim for Damages/Refund                       | 1.13           | 1.35           |
| Aditya Birla Capital Limited                     | Aditya Birla Sun Life Insurance Co Ltd       | Business Support Cost                          | 3,601.29       | 3,217.25       |
|                                                  | Aditya Birla Health Insurance Ltd.           | Business Support Cost                          | 480.35         | 93.48          |
| Aditya Birla Financial Shared Services Limited   | Aditya Birla Sun Life Insurance Co Ltd       | Business Support Cost                          | 8,391.98       | 6,735.10       |
|                                                  | Aditya Birla Health Insurance Ltd.           | Business Support Cost                          | 3,605.07       | 3,269.83       |
| Aditya Birla Capital Technology Services Limited | Aditya Birla Health Insurance Ltd.           | IT Development                                 | 199.07         | -              |
|                                                  | Aditya Birla Health Insurance Ltd.           | Group Mediclaim - Receipt                      | -              | 2.94           |
|                                                  | Aditya Birla Sun Life Insurance Co Ltd       | IT Development                                 | 697.12         | -              |
| Aditya Birla ARC Limited                         | Aditya Birla Health Insurance Ltd.           | Refund of CD Balance against GMC Top-up Policy | -              | 0.13           |
|                                                  | United India Insurance Co. Ltd.              | Refund of CD Balance against GMC Top-up Policy | 0.16           | -              |
|                                                  | Tata AIG General Insurance Co. Ltd           | Refund claim against car reimbursement         | -              | 0.06           |

## Note:

As per Regulation 34 (6) of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018, insurance brokers are required to include 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 in their financial statements. The above information covers payments received from insurers by Aditya Birla Capital Group companies and Grasim Industries Limited, the ultimate holding company.

# Notes to the Financial Statements

for the year ended March 31, 2023

**(C) Disclosure of details as required under amended guidelines as per Regulation 34 (1-C) of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018.**

**Cash flow statement for the year ended March 31, 2023:**

| Particulars                                                                   | (₹ in Lakh)                  |                              |
|-------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                               | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
| <b>A. Cash Flow from Operating Activities:</b>                                |                              |                              |
| Brokerage Receipts                                                            | 56,678.44                    | 59,417.43                    |
| Reinsurance Receipts                                                          | 761.74                       | 681.99                       |
| Other Receipts/(Payments)                                                     | 177.21                       | 458.99                       |
| Realisations from Sundry Debtors                                              | 8,180.34                     | 6,082.29                     |
| Payment towards Expenses                                                      | (40,931.28)                  | (47,932.98)                  |
| Payment of Tax Deducted at Source                                             | (826.26)                     | (3,446.58)                   |
| Payments to Sundry Creditors                                                  | (11,287.36)                  | (10,313.73)                  |
| Payment of Other Advances                                                     | 230.55                       | 637.18                       |
| <b>Net Cash from Operating Activities (A)</b>                                 | <b>12,983.38</b>             | <b>5,584.59</b>              |
| <b>B. Cash Flow from Investing Activities:</b>                                |                              |                              |
| Purchase of Investments                                                       | (90,569.08)                  | (76,453.92)                  |
| Sale of Investments                                                           | 83,742.34                    | 74,937.00                    |
| Purchases of fixed assets                                                     | (431.14)                     | (432.29)                     |
| Sale of fixed assets                                                          | 75.13                        | 9.70                         |
| Income received on Investments                                                | 539.76                       | 433.78                       |
| Expenses relating to Investments                                              | -                            | -                            |
| <b>Net Cash from Investing Activities (B)</b>                                 | <b>(6,642.99)</b>            | <b>(1,505.73)</b>            |
| <b>C. Cash Flow from Financing Activities:</b>                                |                              |                              |
| Proceeds from issue of Share Capital                                          | -                            | -                            |
| Proceeds from borrowings                                                      | -                            | -                            |
| Repayment of borrowings                                                       | (406.57)                     | (409.02)                     |
| Interest/Dividends paid                                                       | (6,002.10)                   | (3,591.00)                   |
| <b>Net Cash from Financing Activities (C)</b>                                 | <b>(6,408.67)</b>            | <b>(4,000.02)</b>            |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents [(A) + (B) + (C)]</b> | <b>(68.28)</b>               | <b>78.84</b>                 |
| <b>D. Cash Bank Balances as on 01.04.2022</b>                                 |                              |                              |
| Cash in Hand                                                                  | -                            | -                            |
| Balance in Current Accounts                                                   | 157.77                       | 78.93                        |
| <b>E. Cash Bank Balances as on 31.03.2023</b>                                 |                              |                              |
| Cash in Hand                                                                  | -                            | -                            |
| Balance in Current Accounts                                                   | 89.49                        | 157.77                       |