

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **ADITYA BIRLA INSURANCE BROKERS LIMITED** will be held on Wednesday, the 10th day of July, 2019 at 03.00 pm at Indian Rayon Compound, Veraval, Gujarat 362266 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 and the Profit and Loss Account for the year ended on that date, along with the reports of the Directors and Auditors thereon.
2. To declare final dividend for the financial year ended 31st March 2019.

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT a Final Dividend of Rs. 28.95 per equity share as recommended by the Board of Directors for the financial year ended 31st March, 2019 be approved.”

3. To appoint a Director in place Mr. A Dhananjaya who retires by rotation and being eligible, offers himself for re-appointment. Following Ordinary Resolution is being proposed:

“RESOLVED THAT pursuant to the provisions of section 152 (6) of the Companies Act, 2013 Mr. A Dhananjaya, 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.”

4. Appointment of Auditors

To consider and pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 139 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with rules under the Companies (Audit & Auditors) rules, 2014, the Company hereby appoints M/s. S. B. Billimoria, Chartered Accountants (ICAI Registration No.: 101496W), as Auditors of the company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Second AGM of the Company to be held in the year 2024 to examine and audit the accounts of the Company for the Financial Year 2019 – 2020.

Aditya Birla Insurance Brokers Ltd.

One Indiabulls Centre, Tower 1, 14th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013
+91 22 4356 8585

care.insurancebrokers@adityabirlacapital.com | www.adityabirlainsurancebrokers.com

Registration No.: 146. Composite Insurance Broker. Valid till: 9th April, 2021.

ISO 9001 Quality Management certified by ZSI under certificate number FS 511893

Aditya Birla Insurance Brokers Limited, Aditya Birla Health Insurance Co. Limited and Aditya Birla Sun Life Insurance Company Limited are part of the same promoter group.

Registered Office:
Indian Rayon Compound, Veraval,
Gujarat - 362 266

CIN: U99999GJ2001PLC062239



SPECIAL BUSINESS:

5. To consider and re-appoint Mr. M. M. Bhagat as Independent Director of the Company. To consider and if thought fit, to pass the following resolution(s), with or without modifications, as **Special Resolution:**

Mr. M. M. Bhagat has completed his term of 5 years on the Board of the Company as an Independent Director and is eligible for another term of 5 years under section 149 of the Companies Act, 2013, read with rules made thereunder.

The Members are hereby requested to kindly consider and pass below resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act Mr. M. M. Bhagat (DIN: 00006245), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from April 22, 2019 to April 21, 2024 and whose office shall not be liable to retire by rotation".

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto"

6. To consider and appoint Ms. Archana Maru as Woman Director of the Company.

To consider and if thought fit, to pass the following resolution(s), with or without modifications, as **Ordinary Resolution:**

Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 prescribes for every listed company and every public company having paid-up share capital of not less than Rupees one hundred crore or turnover of Rupees three hundred crore or more to appoint at least one woman director.



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The Company has crossed the said turnover as per the financials as on 31st March, 2019, and hence, it is proposed to appoint Ms. Archana Maru (DIN: 0008484522) as Additional (Woman) Director of the Company.

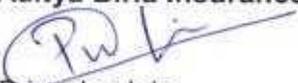
The Committee may consider the same and pass following resolution:

“RESOLVED THAT members do and hereby take on record consent received in DIR – 2 from Ms. Archana Maru, holding DIN – 0008484522 to act as the Director of the company.

RESOLVED FURTHER THAT pursuant to section 161 (1), 149, 150, 152 and other applicable provisions of the Companies Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and in terms of the Article 117(1) of Articles of Association of the Company, Ms. Archana Maru be and is hereby appointed as a Director of the Company with effect from 21st June, 2019.

RESOLVED FURTHER THAT any one Director or Chief Executive officer or Company Secretary be and is hereby authorized to do all such acts, things and deeds required to give effect to the above resolution.”

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



Ms. Priyanka Jain
Company Secretary

Date:
Place: Mumbai
Registered Office:
Indian Rayon Compound,
Veraval, Gujarat 362- 266.



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Aditya Birla Insurance Brokers Limited, Aditya Birla Health Insurance Co. Limited and Aditya Birla Sun Life Insurance Company Limited are part of the same promoter group.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty eight hours) before the time fixed for holding the Annual General Meeting.

All the documents referred to in the notice and the explanatory statement are open for inspection between 10.00 a.m. to 12.00 noon on all working days at the Registered Office of the Company at Indian Rayon Compound, Veraval, Gujarat 362266 up to the date of the Annual General Meeting.

3. The Explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Item No. 3 of the Notice set out above is annexed hereto.

Details of Directors seeking appointment / re-appointment in the 14th Annual General Meeting as required under Secretarial Standards on General Meetings

Name of the Director	Mr. A Dhananjaya
Date of Birth	19/12/1961
Date of appointment in the Board	31/10/2017
Qualification	B. Tech and PGDM
Expertise in specific functional area	Financial Sector
Directorships held in other companies	Aditya Birla Financial Shared Services Limited Aditya Birla Stressed Asset AMC Private Limited Aditya Birla Capital Investments Private Limited
Chairman / Member of Committee (s) of Board of Directors of the Company	Audit Committee Nomination & Remuneration Committee Corporate Social Responsibility Committee
Whether related with other Directors / Key Managerial Personnel	No

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Registration No.: 146. Composite Insurance Broker. Valid till: 9th April, 2021.

ISO 9001:2015 Quality Management certified by BSI under certificate number FS 611883

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Number of meetings attended during the year	4
Number of Shares held in Company	NIL

I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

Item No. 5

The Board of the Directors of the Company at its meeting held on 22nd April, 2019, recommended for the approval of the Members, the re-appointment of Mr. M. M. Bhagat, DIN: 00006245, as an Independent Director of the Company, in terms of section 149 read with schedule IV of the Companies Act, 2013.

In order to draw upon his rich experience in the domain of Insurance, Finance and Management, the Board has re-appointed Mr. M. M. Bhagat as an Independent of the Company for a term of 5 years effective 22nd April, 2019.

Your Board considers that Mr. M. M. Bhagat's association with the company as an Independent Director would benefit the Company. Declaration has been received that the criteria of Independence prescribed under section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 is met by him. Your Board is also of the opinion that Mr. M. M. Bhagat fulfils the conditions specified in the Act and the Rules thereunder for his appointment as Independent Director and that he is Independent of the management of the Company.

Requisite consent pursuant to section 152 of the Act, has been filed by Mr. M. M. Bhagat to act as Director, if appointed.

Item No. 6

Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 prescribes for every listed company and every public company having paid-up share capital of not less than Rupees one hundred crore or turnover of Rupees three hundred crore or more to appoint at least one woman director.

The Company has crossed the said turnover during the financials year ended as on 31st March, 2019, and hence, it is proposed to appoint Ms. Archana Maru (DIN: 0008484522) as Additional



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Registration No: 146. Composite Insurance Broker. Valid till: 9th April, 2021.

ISO 9001 Quality Management certified by BSI under certificate number-PS 611593.

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CIN: U99999GJ2001PLC062239

(Woman) Director of the Company. The Board of the Directors of the Company at its meeting held on 21st June, 2019, recommended for the approval of the Members, appointment of Ms. Archana Maru, as a Non-Executive Woman Director of the Company.

In order to draw upon her rich experience in the domain of Finance and Management, the Board has appointed Ms. Archana Maru as an additional director of the Company.

Your Board considers that Ms. Archana Maru association with the company as a Director would benefit the Company. Your Board is also of the opinion that Ms. Archana Maru fulfils the conditions specified in the Act and the Rules thereunder for her appointment as Director.

Requisite consent pursuant to section 152 of the Act, has been filed by Ms. Archana Maru to act as Director, if appointed.

None of the Directors, Key Managerial Personnel of the Company, or their relatives, is interested in this resolution.

The Board recommends this Resolution for your approval.

There are no *inter-se* relationships between the Board of Directors of the Company.

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



Ms. Priyanka Jain
Company Secretary
21st June, 2019

Place: Mumbai
REGISTERED OFFICE:
Indian Rayon Compound,
Veraval, Gujarat – 362 266



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Registration No.: 146. Composite Insurance Broker. Valid till: 9th April, 2021.

ISO 9001:2015 Quality Management certified by BSI under certificate number PS 811893

Aditya Birla Insurance Brokers Limited, Aditya Birla Health Insurance Co. Limited and Aditya Birla Sun Life Insurance Company Limited are part of the same promoter group.

Registered Office:
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Gujarat -362 266

EIN: U99999GJ2001PLC062239

ADITYA BIRLA INSURANCE BROKERS LIMITED

CIN: U99999GJ2001PLC062239

Registered Office: Indian Rayon Compound Veraval Gujarat 362266.

Email: abibl.corpcom@adityabirla.com Ph: 022-43568327, Fax: 022-43568511

ATTENDANCE SLIP

Name of the Member(s) :
Registered Address :

Folio No/ Client ID :
No. of Shares held :

I/We hereby record my/our presence at the Annual General Meeting held at the Registered Office at Indian Rayon Compound Veraval Gujarat 362266 on Tuesday, June 19, 2019 at 02.00 P.M.

Member's Folio No

Member's / Proxy Name in Block Letters

Member's / Proxy's Signature

Note:

1. Please fill the Folio and Name, sign this attendance slip and hand it over at the Attendance Verification Counter at the Entrance of the Meeting Hall.
2. Members holding shares in physical form are requested to advise the change in their address, if any to the Company Secretary, Ms Priyanka Jain, One India Bull Center, Tower 1, 14th Floor, Jupiter Mill Compound, 841, S B Marg, Elphinston Road, Mumbai – 400 013.



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PROTECTING INVESTING FINANCING ADVISING

Form No. MGT-11
Proxy Form

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

CIN : U99999GJ2001PLC062239
Name of the Company : Aditya Birla Insurance Brokers Limited
Registered Office : Indian Rayon Compound Veraval Gujarat 362266

Name of the Member(s):
Registered address:
E-mail Id:
Folio No./Client Id & DP. Id:

I/We, being the Member(s) ofshares of the above named Company, hereby appoint

1. Name:.....
Address:
E-mail Id:
Signature:....., or failing him

2. Name:..... Address:
E-mail Id:
Signature:....., or failing him

3. Name:..... Address:
E-mail Id:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual
General Meeting of the Company, to be held on _____ the ____ Day of _____, 2019 at _____



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PROTECTING INVESTING FINANCING ADVISING

_____ P.M. at Indian Rayon Compound Veraval Gujarat 362266 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of Accounts
2. Declare final dividend
3. Re-appoint Director retiring by rotation
4. Appointment of Auditors

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Re.1 Rev
Stamp

Special Business

1. Re-appointment of Independent Director
2. Appointment of Woman Director

Signed this..... day of..... 2019

Signature of shareholder:

Signature of Proxy holder(s):

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



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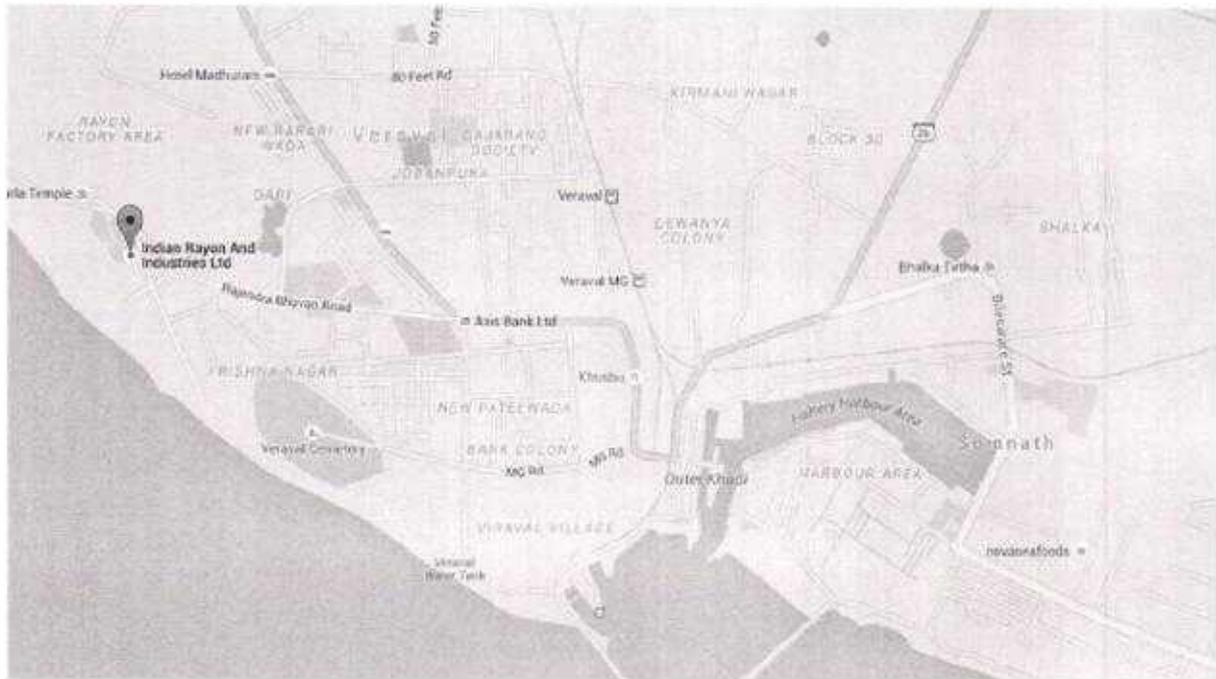
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PROTECTING INVESTING FINANCING ADVISING

Route Map of the Venue - Indian Rayon Compound Veraval Gujarat 362266.



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Board's Report

Dear Members,

The Board of Directors of Aditya Birla Insurance Brokers Limited ("your Company" or "the Company" or "ABIBL") is pleased to present the Seventeenth Annual Report and the Audited Financial Statements of your Company for the financial year ended 31st March, 2019 ("financial year under review").

FINANCIAL RESULT

The highlights of the Financial Results are as under:

(₹ in Crore)		
Particulars	FY 2018-19	FY 2017-18
Revenue from Operations	444.60	260.98
Other Income	4.10	4.01
Total Expenses	421.35	225.84
Profit before tax	27.35	39.15
Tax Expenses	7.46	14.48
Profit after tax	19.89	24.67

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 applicable provisions of the Act.

KEY HIGHLIGHTS

The key performance highlights of the Company during the financial year under review are as follows:

The turnover of the Company was at ₹ 444.60 Crore in FY 2018-19 as compared to ₹ 260.98 Crore in FY 2017-18.

Due to change in regulations and consequently change in the business model, the profits were on the declining trend from ₹ 24.67 Crore in FY 2017-18 to ₹ 19.89 Crore in FY 2018-19.

The Company has initiated empanelment drive with several Life Insurance Companies to have a market presence and offer wide ranging options for the customers.

With grant of Life Insurance Broking License in 2018, the Company now offers Reinsurance, Life, Non-Life and Health insurance broking services to its clients as a one stop shop.

Proactive measures were undertaken to strengthen compliance and risk management functions to maintain robust internal controls, mitigate risks and improve sales conduct.

MATERIAL EVENTS DURING THE YEAR

The Members of the Company, vide resolution passed on 19th June, 2018, authorized the Board of Directors of the Company the issuance of Bonus Shares in the ratio of 9 equity shares for every 10 existing equity shares held for an aggregate consideration of ₹ 2.43 Crore only (Rupees Two Crore Forty-Three Lakhs Only).

The Company had set-up a new office in Special Economic Zone in Kandla, Gujarat which is also known as GIFT (Gujarat International Financial Tech – City) post approval received from the concerned authorities on 11th August, 2018.

HOLDING COMPANY

During the financial year under review, Grasim Industries Limited remains the ultimate Holding Company and Aditya Birla Capital Limited continues to hold 50.002% share capital of the Company and is the Holding Company of your Company. The equity shares of Grasim Industries Limited and Aditya Birla Capital Limited are listed at BSE Limited and NSE Limited of India.

SUBSIDIARY COMPANY/ JOINT VENTURES/ASSOCIATE COMPANIES

Your Company does not have any Subsidiary Company, Joint Venture and Associate Companies.

TRANSFER TO RESERVES

The Company transferred ₹ 2.47 Crore to General Reserve, during the financial year under review.

DIVIDEND

For the financial year under review, the Board of Directors of your Company recommend for your consideration a dividend of ₹ 28.95 per equity share (previous year ₹ 68.22 per equity share).

The said dividend, if approved by the Members, would involve cash outflow of ₹ 17.9 Crore (including dividend distribution tax of ₹ 3.05 Crore) compared to ₹ 22.21 Crore (including dividend distribution tax of ₹ 3.79 Crore) paid for the year 2017-18.

SHARE CAPITAL

The Company's paid-up Equity Share Capital as on 31st March, 2019 was ₹ 5.13 Crore as compared to ₹ 2.7 Crore as on 31st March, 2018.

During the financial year under review, the Members of the Company, vide resolution passed on 19th June, 2018, authorized the Board of Directors of the Company the issuance of Bonus Shares

in the ratio of 9 equity shares for every 10 existing equity shares held for an aggregate consideration of ₹ 2.43 Crore only (Rupees Two Crore Forty-Three Lakhs Only).

DEPOSITORY SYSTEM

During the financial year under review, out of the Company's total equity paid-up share capital comprising of 51,30,000 Equity Shares, 99.99 % Equity Shares were held in dematerialized mode.

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, guarantees and investments made 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

Considering the Company's activities as an Insurance Broker licensed by Insurance Regulatory Development Authority of India (IRDAI) operating in insurance industry, 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, are not relevant to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There was foreign exchange earning of ₹ 1.19 Crore during the financial year under review and ₹ 0.30 Crore during the previous financial year. However, the foreign exchange outgo during the financial year under review was ₹ 0.30 Crore as compared to ₹ 0.26 Crore, during the previous financial year.

The expenditure incurred during the financial year was towards business travel and other business expenses.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE 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 Aditya Birla Capital Limited had also extended the benefits and coverage of the Scheme 2017 to the employees of Aditya Birla Capital Limited Subsidiary Companies.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the financial year under review, is enclosed as Annexure I forming part of this Board Report.

CORPORATE GOVERNANCE

Corporate Governance principles forms an integral part of the core values of the Company. Your Directors reaffirm their commitment to the Corporate Governance Standards to the extent they are applicable to your Company.

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

We also affirm 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

The Company believes that a strong, effective and embedded risk management framework is crucial for maintaining successful business operations and delivering sustainable, long-term profitability. The Company achieves this through a strong risk culture articulated by effectively by leadership team and embodied by management at all levels through its governance structure and risk management processes.

The Company always aims to adopt best practices in controlling all the risk exposure to which it is exposed to. This is generally achieved by identifying risk exposures, assessing them, incorporating appropriate risk management strategies and monitoring and reviewing ongoing risk to incorporate changes in its operations and to enable it to make informed decisions on risk controls.

The Company has Risk Management framework covering procedures to identify, assess, mitigate and monitor the various key business risks. The Company endeavours that all significant risks can be identified and managed in a timely and structured manner with an objective to achieve sustainable growth. The Risk management approach is developed by taking into account the overall governance, management, reporting process, policies, philosophy, culture & regulatory framework applicable to the Company.

The Company has an Enterprise Risk Management (ERM) framework and Charter which includes key components such as risk identification, risk assessment, risk response and risk management strategy, Risk monitoring, communication and reporting to mitigate key risks which are inherent in nature to Company's activities. The risks of the Company are broadly classified into Reputation Risk, People Risk, Regulatory Risk, Operational Risk, Financial Risk and Business Risk. The key business risks identified are approved and monitored by the Risk Management Department.

The Company also conducts a Risk Control Self-Assessment process to embed the risk management culture as a part of day to day operations. The Company also assesses and monitors the fraud risks to design and implement controls in required process areas.

Information Security risks is governed through Information Security policy which provides management direction and support for information security in accordance with business requirements and relevant laws and regulations so that its information assets are provided comprehensive protection against the consequences of breaches of confidentiality, failures of integrity or interruptions to their availability.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, all contracts / arrangements / transactions entered into by the Company with related parties were in 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.

All related party transactions have been approved by the Audit Committee of your 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 your Company for the financial year under review, are given in notes to the Financial Statements, forming part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on your Company's website at: www.adityabirlainsurancebrokers.com

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirm that the Company has laid down set of standards, processes and structure which enables 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 inefficiency or inadequacy of such controls.

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. During the year under review, no material or serious observation has been received from the Auditors of the Company, citing inefficiency or inadequacy of such 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, control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations.

The purpose, authority and responsibility of internal audit function are formally defined in the Audit Committee Charter which is periodically reviewed and key amendments are presented to the Board for approval. To provide for the independence of the internal audit function, the Head of Risk and Compliance, functionally reports to the Audit Committee.

The internal audit plan is developed based on the risk profile of business activities of the organization. The audit plan covers process audits at head office and across various branches of the organization. The audits are carried out by the external auditors of the Company. The audit plan is approved by the Audit Committee, which regularly reviews the compliance of the plan.

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 management, Directors of your Company make the following state that:-

- i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2019, 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 31st March, 2019 and of the profit of the Company for financial year ended on that date;
- iii) the Directors have 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 and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

APPOINTMENT/RESIGNATION OF DIRECTORS

As on 31st March, 2019, the Board of Directors of your Company ("the Board") comprised of 5 (Five) Directors which included 2 (Two) Non-Executive Directors and 3 (three) Independent Directors. Your Directors on the Board possess experience, competency and are renowned in their respective fields. All Directors are liable to retire by rotation except Independent Directors whose term of 5 consecutive years was approved by the Members of the Company at the Annual General Meeting ("AGM") of the Company.

During the year under review:

- i. Ms. Archana Maru (DIN: 0008484522) was appointed as an Additional Director of the Company at the Board Meeting held on 21st June, 2019.
- ii. Mr. A. Dhananjaya (DIN: 01744569) was appointed as a Non-Executive Director of the Company at the Annual General Meeting held on 19th June, 2018 (additional director with effect from 31st October, 2017).
- iii. Designation of Mr. Adesh Gupta (DIN: 00020403) was changed from Non-Executive Director to Independent Director as he fulfilled all the criteria of independence.
- iv. Mr. M. M. Bhagat was appointed as an Independent Director for a second term of 5 years at the Board Meeting held on 22nd April, 2019, subject to approval from Members and Insurance Regulatory and Development Authority of India.

No Director has resigned from the Board during the financial year under review.

RETIREMENT BY ROTATION

As per the provisions of the Act, Mr. A Dhananjaya retires from the Board by rotation this year and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting of the Company.

A detailed profile of the Directors seeking re-appointment is provided in the Notice of the 17th Annual General Meeting of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company had received declarations from all the Independent Directors of the Company confirming that they meet the 'criteria of Independence' as prescribed under Section 149(6) of the Act and have submitted their respective declarations as required under Section 149(7) of the Act.

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, Ms. Priyanka Jain (Company Secretary) is the Key Managerial Personnel of your Company.

ANNUAL PERFORMANCE EVALUATION

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

Pursuant to the provisions of the Act and in terms of the Framework of the Board Performance Evaluation, the Nomination and Remuneration Committee and the Board of Directors have carried out an annual performance evaluation of the performance of various Committees of the Board, individual Directors, Independent Directors and the Chairman.

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 4 (Four) times.

The Meetings of the Board were held on 25th April, 2018, 19th July, 2018, 23rd October, 2018 and 18th January, 2019.

AUDIT COMMITTEE

Your Company has constituted an Audit Committee with its composition, quorum, powers, roles and scope in line with the applicable provisions of the Act.

During the financial year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of your 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 your Company. The Committee has also reviewed the procedures laid down by your Company for assessing and managing the risks.

The Composition of the Audit Committee is as follows:

Name of the Director	Designation
Mr. A Dhananjaya	Non-Executive Director
Mr. M. M. Bhagat	Independent Director
Mr. Vijay Agarwal	Independent Director

During the financial year under review, all recommendations made by the Audit Committee were accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has a duly constituted Nomination and Remuneration Committee ("NRC"), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act.

The NRC has formulated a policy on remuneration under the provisions of Section 178(3) of the Act and the same is attached as Annexure II of this Report and has been uploaded on the website of the Company at www.adityabirlainsurancebrokers.com.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act as amended by the Companies (Amendment) Act, 2017, the extract of annual return for the Financial Year ended 31st March, 2019, in Form MGT-9 under the provisions of 92(3) of the Act forms part of Annexure III to this report and uploaded on the website of the Company at www.adityabirlainsurancebrokers.com.

AUDITORS

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

M/s. S. R. Batliboi & Associates LLP, having its office at 14th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400 028 with ICAI Firm Registration Number: 101049W was

appointed in Twelfth Annual General Meeting to hold office upto the conclusion of the Seventeenth Annual General Meeting of the Company.

Further, 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. (Registration number: 101496W) is proposed to be appointed as Statutory Auditors of the Company for a term of 5 (Five) years i.e. from the conclusion of the Seventeenth Annual General Meeting till the conclusion of Twenty Second Annual General Meeting of the Company, subject to approval of Members at the Seventeenth Annual General Meeting.

The Company has received a certificate from the aforesaid auditors confirming their eligibility and willingness for appointment pursuant to Section 139 (1) of the Companies Act, 2013.

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, 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 IV of the Board's Report.

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

COST AUDITORS

The provisions of Cost 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, your 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

As a part of its initiatives under CSR, the Company has undertaken projects in the areas of Health and Education of children with disability. These projects are also in line with the statutory requirements under the Companies Act, 2013 and its CSR Policy.

The required disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules 2014, is attached as Annexure V to this report.

Further details on the CSR Committee are provided in the Corporate Governance Report, forming part of this Annual Report.

The composition of the CSR Committee is as follows:

Name of the Director	Designation
Mr. Askaran Agarwala	Non-Executive Director
Mr. A Dhananjaya	Non-Executive Director
Mr. M. M. Bhagat	Independent Director
Mr. Vijay Agarwal	Independent Director

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

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 vigil mechanism for Directors and Employees to report concerns. Whistle Blower Policy is available on the Company's website at www.adityabirlainsurancebrokers.com.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your 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 and Aditya Birla Capital Limited. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. All 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 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HUMAN RESOURCES

Your Company believes that human resources are at the core of sustaining and building our organisation. Over the last one year, the Human Resource team has contributed significantly in reducing attrition and improving productivity and supporting the business in identifying and grooming leaders across all business units of the Company. A majority of leadership positions in the business units of the Company are today being filled internally which in turn is helping our newer businesses scale up faster. With an unswerving focus on nurturing and retaining talent, your Company provides avenues for learning and development through functional, behavioral and leadership training programs as well as on the job training to enable the employees to constantly upgrade their skills.

The Company's total workforce stood at 372 as on 31st March, 2019 against 344 as on 31st March, 2018.

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), General Meetings (SS-2) and on the Report of the Board of Directors (SS-4).

OTHER DISCLOSURES

In terms of applicable provisions of the Act, your Company discloses that during the financial year under review:

There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except the Bonus shares referred to in this Report.

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.

There was no public issue, rights issue, or preferential issue, etc. during the year under review.

There was no issue of shares with differential rights

There was no transfer of shares of the Company

There was no transfer of un-paid or unclaimed amount to Investor Education and Protection Fund (IEPF)

There was no significant or material order passed by the Regulators or Hon'ble Courts or Tribunals which impacted the going concern status and Company's operations in future.

There was no fraud reported to the Audit Committee or the Board of Directors.

ACKNOWLEDGEMENTS

Your Board places on record its heartfelt appreciation of the dedicated efforts put in by the employees at all levels. 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.

Your Board also acknowledges the contribution of insurance companies, banks, training institutes and business and technology partners, the Registrars, Depositories, reinsurers who have always supported and helped the Company to achieve its objectives.

Your Board would like to thank the Members, for their constant support, guidance and co-operation.

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.

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

**Sd/-
Mr. A Dhananjaya
DIN: 01744569**

**Sd/-
Mr. Askaran Agarwal
DIN: 00023684**

**Date: 21st June, 2019
Place: Mumbai**

MANAGEMENT DISCUSSION AND ANALYSIS**Macroeconomic Review**

After strong growth that lasted almost two years, the global economy started to lose momentum from the fourth quarter of 2018. After global growth peaking at about 4% in 2017 and remaining strong at 3.8% in the first half of 2018, growth dropped to 3.2% in the second half of the 2018. The reasons for the downturn were possibly a combination of trade tensions, tightness in financial conditions, as well as idiosyncratic factors impacting large economies. The growth decline in China was a combination of tightening of credit and rise in US-China trade tensions; the Euro area economy lost momentum due to weakening of consumer and business confidence, emissions standards impacting the auto industry and decline in external demand.

Trade tensions remained in the headlines for much of the year and increasingly took a toll on global trade, financial markets, business confidence and investment. The US Federal Reserve raised rates four times in the face of strong US growth. Financial markets' conditions worsened in the second half of 2018 and flows to EMs as well as EM currencies were impacted as US yields surged ahead, before reversing from November. Crude prices remained volatile, peaking in October (Brent crude at \$86/barrel) and bottoming in December (\$50/barrel).

The Indian economy started FY19 on a high with a strong 8.0% y-o-y growth in Q1. However, the economy entered a period of slower growth thereafter, with growth declining in the following quarters. CSO Advance Estimates forecast FY19 growth rate at 7.0% compared to 7.2% y-o-y growth in FY18. While industrial growth picked in the year led by strong growth in construction, agricultural and services sector growth moderated. The reasons for the slowdown can be attributed to global weakness, tight financial conditions, elevated real interest rates, NBFC stress, stress in the informal sector, general slowdown in consumption and stress in credit markets.

Inflation remained well contained in the year with average inflation in FY19 at 3.4%, lower than RBI's target of 4%. Lower inflation was mainly caused by sharp decline in food inflation which remained in the negative zone for 5 months and averaged a low 0.7% in the year. While core inflation was elevated, it also started moderating towards the end of the year. RBI increased rates twice, in June and August 2018, before reversing its tightening. Bond yields rose in the first half of the fiscal, peaking in September and declining thereafter.

The Indian economy is currently going through a soft patch though RBI has forecasted FY20 growth at 7.2%. We believe that growth may remain soft for some more time before moving up. Moreover, recovery will be contingent on policy priorities of the new government, quick easing of liquidity and credit stress faced by certain sections of the economy and a benign global environment.

Government's policy of insuring the uninsured has gradually pushed insurance penetration in the country and proliferation of insurance schemes.

The future looks promising for the insurance industry with several changes in regulatory framework which will lead to further change in the way the industry conducts its business and engages with its customers.

The overall insurance industry is expected to reach US\$ 280 billion by 2020.

Demographic factors such as growing middle class, young insurable population and growing awareness of the need for protection and retirement planning will support the growth of Indian life insurance.

The Indian insurance industry has a total premium of ₹ 3.85 lakh Crore for FY 19 of which ~2.15 lakh Crore was from Life Insurance segment (First year premium) and ₹ 1.70 lakh Crore was 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 total GI Insurance industry recorded premium of ₹ 1.70 lakh Crore in FY 19 a notable 13% growth over FY18. This growth was largely led by growth in Motor TP, Health Insurance (Retail, Group Insurance & Govt Health Schemes) and Crop Insurance. However, penetration (0.9% of the GDP) and density have continued to remain low, indicating the need to address challenges, which impede growth.

Gross premium underwritten by the non-life insurers in India has grown by 13% from ₹ 1,50,593 Crore to ₹ 1,69,965 Crore (Source: GIC Council). Motor Insurance (OD & TP), Health Insurance, Crop Insurance and Fire Insurance segments attained premium growth of 9%, 21%, 12% and 9% respectively and remained the top 4 contributors to the non-life Industry premium with about 38%, 27%, 17% and 7% share respectively. The growth for Motor Insurance has been entirely driven by the Motor Third Party (TP) premium (15%) with the Motor Own Damage (OD) premium growing only by 0.5%, one of its lowest growth rates in the recent years. (Source: GI Council).

Aditya Birla Insurance Broker Ltd. ("ABIBL") has been consistently outperforming general insurance industry and gaining market share. Its non-life direct premium placement grew by 17% year-on-year from ₹ 3,133 Crore to ₹ 3,681 Crore while industry premium grew by 13%. Premium placement growth was driven by 44% and 16% growth in Health Insurance and Motor Insurance segments respectively. Its market shares in direct non-life industry premium enhanced from 2.08% to 2.17%.

ABIBL's revenue rose by 70% from ₹ 260.98 Crore to ₹ 444.6 Crore, this increase in revenue is because of Motor Insurance Service Provider (MISP) guidelines introduced by IRDAI w.e.f. Nov 01, 2017 – brokerage at higher rate from insurance companies and subsequent pay-out of Distribution Fee (DF) to MISP which had an adverse impact on margins of the company bringing down the profitability from ₹ 39.15 Crore to ₹ 27.35 Crore.

Outlook

Insurance broking is the only channel, which represents customers and not insurers. This unique role of the broking channel is recognized by the regulator, insurers and customers. The total GI Insurance industry recorded premium of ₹ ~1.70 lakh Crore in FY 19 a notable 13% growth over FY 18. This growth was largely led by growth in Motor TP, Health Insurance (Retail, Group Insurance & Govt Health Schemes) and Crop Insurance. However, penetration (0.9% of the GDP)

and density have continued to remain low, indicating the need to address challenges, which impede growth.

Insurance broking as a channel, represents customers and not insurers. The unique role of the broking channel is recognized by the regulator, insurers and customers. Based on the industry and business performance mentioned the channel is still evolving and needs to meet risk management requirements of customers comprehensively.

ABIBL will continue to focus on expanding its customer base in a cost-effective manner to grow its business. Various initiatives have been implemented for promotion and growth of motor insurance business, with an increased focus on targeting the renewal and rollover policies and emphasis is laid on enhancing corporate business by targeting large corporate clients through its sector specific approach.

CAUTIONARY STATEMENT

Statements in the Directors 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. Your 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.

ADITYA BIRLA INSURANCE BROKERS LIMITED

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 Members

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 vehicles, 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.

ANNEXURE III

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019
of
Aditya Birla Insurance Brokers Limited

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

1.	CIN	:	U99999GJ2001PLC062239
2.	Registration Date	:	26 th December , 2001
3.	Name of the Company	:	Aditya Birla Insurance Brokers Limited
4.	Category / Sub-Category of the Company	:	Company having Share Capital
5.	Address of the Registered Office	:	Indian Rayon Compound , Veraval , Gujarat – 362266, India
	Contact details	:	Phone: (02876) 243 257
6.	Whether listed company	:	No
7.	Name, Address of Registrar & Transfer Agents (RTA), if any	:	Link Intime India Private Limited. C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083
	Contact details	:	+91 22 4918 6000

I. REGISTRATION AND OTHER DETAILS:**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Insurance Broking and allied services	66220	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% shares held	Applicable Section
1	Aditya Birla Capital Limited (formerly known as Aditya Birla Financial Services Limited), at Indian Rayon Compound, Veraval Gujarat	L67120GJ2007PLC058890	Holding	50.002	u/s 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year %	% Change during the year

(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
(c) Others (specify)									
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B) (2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	--	-	-	-	-	-	-
Grand Total (A+B+C)	2699775	225*	2700000	100	51, 29, 572	428*	51,30,000	100	0

*Held by nominees of Aditya Birla Capital Limited

(ii) Shareholding of Promoters

EQUITY SHARES

Sl No	Shareholder's Name	Equity Share holding at the beginning of the year as on 01-4-2018			Shareholder's Name	Equity Shareholding at the end of the year as on 31-03-2019			% Change
		No. of Equity Shares	% of total Equity Shares of the Company	% of Equity Shares Pledged/ encumbered to total shares		No. of Equity Shares	% of total Equity Shares of the Company	% of Equity Shares Pledged/ encumbered to total shares	
1	Aditya Birla Capital Limited	13,50,054	50.002	0	Aditya Birla Capital Limited	25,64,675	50.002	0	0
2	Infocyper India Pvt. Ltd.	13,49,946	49.998	0	Infocyper India Pvt. Ltd.	25,64,897	49.998	0	0

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	27,00,000	100	51,30,000	100

	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	During the financial year under review, the Company issued and allotted 24,30,000 Equity Shares of Rs. 10/- each, as Bonus Shares in a ratio of 9 equity shares for 10 equity shares held to its shareholders post approval from the shareholders at their meeting held on 19 th June, 2018.
	At the end of the year	No change during the year

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Aditya Birla Capital Limited Limited	13,50,054	50.002	25,64,675	50.002
2.	Infocyper India Pvt Ltd	13,49,946	49.998	25,64,897	49.998

(v). Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: During the year under review, the Company was not indebted.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

B. Remuneration to other directors:

During the year under review, the Company paid the following Sitting fees to its Independent Directors for attending Board Meetings and Committee Meetings as follows: -

Sl. no.	Particulars of Remuneration	Name of Independent Directors			Total Amount (in ₹)
		Mr. Adesh Gupta	Mr. M. M. Bhagat	Mr. Vijay Agarwal	
1	Sitting Fees for attending Meetings	2,00,000	3,40,000	3,80,000	9,20,000
	Total (1)	2,00,000	3,40,000	3,80,000	9,20,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	8,68,882	NIL	
2	Stock Option	NIL	-	NIL	
3	Sweat Equity	NIL	-	NIL	
4	Commission - as % of profit - others, specify...	NIL	-	NIL	
5	Others, please specify	NIL	-	NIL	
	Total	NIL	8,68,882	NIL	

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year ended 31st March, 2019, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

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

**Sd/-
Mr. A Dhananjaya**

**Sd/-
Mr. Askaran Agarwal**

DIN: 01744569

DIN:00023684

Date: 21st June, 2019

Place: Mumbai

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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** (hereinafter called 'the Company') for the year ended on 31st March, 2019 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder.

We have also examined, on 'test check' basis, the relevant documents and records maintained by the Company under the Insurance Regulatory and Development Authority of India (Insurance Broker) Regulation, 2018 which is applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes during the audit period.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above during the audit period.

During the period under review, provisions of the following act/regulations, though specified in Form no. MR-3, were not applicable to the Company:

- (i) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) 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;
- (iv) The Securities and Exchange Board of India (Substantial Acquisition of Shares and

- Takeovers) Regulations, 2011;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (vi) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (vii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (viii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (ix) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (x) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (xi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that–

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, proper consent thereof were obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company and at Committees were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the year under review.

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

We further report that during the audit period, the company has allotted 24,30,000 equity shares against 27,00,000 fully paid up Equity Share of the Company under the Bonus issue to existing Members of the company in the Ratio of 9 Equity Share for every 10 Equity share held (i.e in ratio of 9:10 share).

Place: Mumbai
Date: 8th April, 2019

Kavita Shah
Associate Partner
ACS No. 50804 / CP No. 20796

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

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 A

To,
The Members,
Aditya Birla Insurance Brokers Limited

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Aditya Birla Insurance Brokers Limited (the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Kavita Shah
Associate Partner
ACS No. 50804 / CP No. 20796

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Place: Mumbai

Date: 8th April, 2019

Report on Corporate Social Responsibility

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

For us in the Aditya Birla Group, reaching out to underserved communities is part of our DNA. We believe in the trusteeship concept. This entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face, and working towards making a meaningful difference to them.

- *Our 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 and marginalized sections of society and raise the country's human development index”* Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development.

Implementation process:

Identification of projects - All projects are identified in consultation with the community in a participatory manner, literally sitting with them and gauging their basic needs. We recourse to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village panchayats, and other stakeholders, projects are prioritized.

Arising from this our focus areas that have emerged are Education, Health care, Sustainable livelihood, Infrastructure development, and espousing social causes. All of our community projects/programmes are carried out under the aegis of The Aditya Birla Centre for Community Initiatives and Rural Development. Our activities are in line with Schedule VII of the companies Act, 2013.

Your Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 which is accessible from our Company's website (www.adityabirlainsurancebrokers.com)

2. The Composition of the CSR Committee.

- a) Mr. M M Bhagat – Member
- b) Mr. A Dhananjaya – Member
- c) Mr. Askaran Agarwala – Member
- d) Mr. Vijay Agarwal - Member

Permanent Invitees:

- a) Mrs. Rajshree Birla – Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development;
- b) Mrs. Pragnya Ram – Group Executive President, Corporate Communications and CSR;
- c) Dr. Sandeep Dadia – Chief Executive Officer of the Company

3. Average net profit of the company for last three financial years: ₹ 36.91 Crore

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): ₹ 0.74 Crore

5. Details of CSR spent during the financial year.

- a. Total amount to be spent for the financial year: **₹ 0.74 Crore**
- b. Amount unspent, if any – **NIL**
- c. Manner in which the amount spent during the financial year is detailed below.

(Amount in Cr.)

CSR project or activity undertaken	Sector in which the Project is Covered	Projects or Programs (1) Local area or other (Specify the State or district where the Projects or programs was undertaken)	Amount outlay (budget) Project or programs wise	Amount spent on the Project or programs Sub heads (1) Direct Expenditure on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing Agency*
Swabhiman	Education to children with disability (CwD)	Across India	0.73	0.73	0.73	0.73
Project Admin Expenses	-	-	0.01	0.01	0.01	0.01
Total			0.74	0.74	0.74	0.74

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company has formulated its CSR policy in accordance with the directions specified in the Companies Act, 2013, read with the rules. The Company is part of Aditya Birla Group and its overall vision is to actively contribute to the social and economic development of the communities in which the Group operates and in so doing build a better, sustainable way of life for the weaker and marginalized sections of society and raise the country's human development index.

The Company has successfully contributed towards CSR obligations for the Financial Year 2018-19.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The Company has spent complete amount of the CSR obligation for the Financial Year 2018-19.

Sd/-
Dr. Sandeep Dadia
Chief Executive Officer

Sd/-
Vijay Agarwal
DIN: 00058548

Aditya Birla Insurance Brokers Limited

Independent Auditor's Report

To the Members of Aditya Birla Insurance Brokers Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS 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 Annual report and Director's report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual report and Director's report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibility of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (d) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (f) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 27(B) (2) to the Ind AS 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.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sarvesh Warty
Partner
Membership Number:

Place of Signature: Mumbai
Date: 22nd April 2019

Annexure 1 referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements on our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company is engaged in the business of insurance broking and advisory services and therefore the provisions clause (ii) of paragraph 3 of the said Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 of the Companies Act, 2013 are not applicable to the Company since there are no loans to directors including entities in which they are interested. The Provisions of section 186 of the Companies Act 2013 in respect of loans and advances given have been complied with by the Company. There are no investments made and, guarantees, and securities given that are covered within the ambit of section 186.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods & services tax and other material statutory dues have generally been regularly deposited with the appropriate authorities. The provisions related to investor education and protection fund, sales-tax, wealth-tax, customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods & services tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to investor education and protection fund, sales-tax, wealth-tax, customs duty and excise duty are not applicable to the Company.
- (c) According to the information and explanations given to us, dues of income tax, sales-tax, goods and services tax, which have not been deposited on account of any dispute

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Rs.285,763	AY 2006-2007	Income Tax Appellate Tribunal (ITAT)*
Finance Act 1994	Service Tax	Rs.6,38,25,513	June 2012 – August 2015	Custom, Excise and Service Tax Appellate Tribunal, Mumbai.
Finance Act 1994	Service Tax	Rs.2,10,06,598	September 2015 – September 2016	Commissioner of CGST and Central Excise, Mumbai

*ITAT has restored back the matter to the file of Assessing Officer.

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Sarvesh Warty

Partner

Membership Number: 121411

Place: Mumbai

Date: 22 April 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADITYA BIRLA INSURANCE BROKERS LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sarvesh Warty
Partner
Membership Number: 121411
Place of Signature: Mumbai
Date: 22 April 2019

Balance Sheet

as at March 31, 2019

Sr. No.	Particulars	Notes	March 31, 2019 Rs.	March 31, 2018 Rs.
	Assets			
1.	Non Current assets			
	(a) Property, plant and equipment	1A	48,515,732	52,946,490
	(b) Capital work in progress		-	-
	(c) Other intangible assets	1B	34,100,023	31,549,891
	(d) Intangible assets under development		13,608,558	10,816,360
	(e) Financial assets			
	i) Loans	2	16,531,644	15,071,018
	ii) Others	3	13,195,648	12,342,162
	(f) Deferred tax asset (net)	4	44,505,702	36,674,152
	(g) Advance tax (net)	5A	320,838,437	64,091,531
	(h) Other non current assets - (non financial)	6	1,939,711	5,433,105
			<u>493,235,456</u>	<u>228,924,709</u>
2.	Current assets			
	(a) Financial assets			
	i) Current investments	7	242,586,262	287,505,704
	ii) Trade and other receivables	8	433,607,963	486,105,811
	iii) Cash and cash equivalents	9	56,663,518	182,512,959
	iv) Loans	10	204,736,299	301,496,245
	v) Other financials assets	11	455,516	406,002
	(b) Other current assets (non financial)	12	221,453,437	83,783,512
			<u>1,159,502,995</u>	<u>1,341,810,233</u>
	Total assets		<u>1,652,738,451</u>	<u>1,570,734,942</u>
	EQUITY AND LIABILITIES			
1.	Equity			
	(a) Equity share capital	13	51,300,000	27,000,000
	(b) Other equity	14	539,667,641	599,081,569
	Total equity		<u>590,967,641</u>	<u>626,081,569</u>
2.	Non-current liabilities			
	(a) Long term provisions	-	-	-
	(b) Other non current liabilities (non financial)	15	36,234	330,416
			<u>36,234</u>	<u>330,416</u>
3.	Current liabilities			
	(a) Financial liabilities			
	i) Trade and other payables			
	- Micro and small enterprises	-	-	-
	- Other than micro and small enterprises	16	645,302,389	649,868,812
	ii) Other Financial Liabilities	16A	158,242,589	130,947,979
			803,544,978	780,816,791
	(b) Other current liabilities (non financial)	17	192,929,643	109,024,733
	(c) Short term provisions	18	61,538,086	50,759,564
	(d) Liabilities for current tax (net)	5B	3,721,869	3,721,869
			<u>1,061,734,576</u>	<u>944,322,957</u>
	Total liabilities		<u>1,061,770,810</u>	<u>944,653,373</u>
	Total equity and liabilities		<u>1,652,738,451</u>	<u>1,570,734,942</u>
	Significant accounting policies and other notes to accounts	27		
	Notes referred above form an integral part of the financial statements			

As per our report of even date

For S.R Batliboi & Associates LLP
ICAI Firm Regn No.: 101049W/E300004
Chartered Accountants

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

Per **Sarvesh Warty**
Partner
Membership No: 121411

Director
DIN: 01744509

Director
DIN: 00058548

Chief Executive Officer

Head - Finance & Operations

Company Secretary

Place: Mumbai
Date: April 22, 2019

Place: Mumbai
Date: April 22, 2019

Statement of Profit & Loss and Other Comprehensive Income for the Year Ended March 31, 2019

Sr. No.	Particulars	Notes	March 31, 2019 Rs.	March 31, 2018 Rs.
1.	Income from operations:			
	Income from operations	19	4,446,045,343	2,609,810,546
	Other Income	20		
	Net Gain/(Loss) on Fair Value Changes		16,780,558	11,179,344
	Interest Income		23,597,815	28,359,126
	Others		592,045	571,493
			40,970,418	40,109,963
	Total income		4,487,015,761	2,649,920,509
2.	Expenses:			
	(a) Fees and commission expense		3,280,735,700	1,222,004,826
	(b) Impairment on financial instruments	21	14,922,162	11,388,645
	(c) Employee benefits expenses	22	586,857,879	512,383,901
	(d) Depreciation and amortisation expenses	23	40,009,349	38,461,533
	(e) Other expenses	24	290,991,049	474,142,932
	Total expenses		4,213,516,139	2,258,381,837
3.	Profit from operations before exceptional items		273,499,622	391,538,672
4.	Exceptional items		-	-
5.	Profit before tax from continuing operations		273,499,622	391,538,672
6.	Income tax expenses	25		
	Current tax		87,680,100	156,180,300
	Income tax for prior years		(5,255,098)	-
	Deferred tax charge - (Net)		(7,831,550)	(11,360,454)
			74,593,452	144,819,846
7.	Profit for the period from continuing operations		198,906,170	246,718,826
8.	Other comprehensive income {to be reclassified to profit and loss -actuarial gain/(loss) on defined benefits plan}	26	1,224,060	172,841
9.	Total comprehensive income for the period		200,130,230	246,891,667
10.	Earnings per share of Rs. 10 each (not annualised)			
	(a)~Basic – Rs.		38.77	48.09
	(b)~Diluted – Rs.		38.77	48.09
	Significant accounting policies and other notes to accounts	27		
	Notes referred above form an integral part of the financial statements			

As per our report of even date

For S.R Batliboi & Associates LLP
ICAI Firm Regn No.: 101049W/E300004
Chartered Accountants

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

Per **Sarvesh Warty**
Partner
Membership No: 121411

Director
DIN: 01744509

Director
DIN: 00058548

Chief Executive Officer

Head - Finance & Operations

Company Secretary

Place: Mumbai
Date: April 22, 2019

Place: Mumbai
Date: April 22, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity share capital

Particulars	No. of Shares	Notes	Amount (Rs.)
As at March 31, 2018	2,700,000		27,000,000
Changes in equity share capital	2,430,000		24,300,000
As at March 31, 2019	5,130,000	13	51,300,000

B. Other equity

(Amount in Rs.)

Particulars	Notes	Reserves & Surplus			Total equity
		Retained earnings		Other Reserves	
		Surplus as per Statement of Profit and Loss	General reserve	Other equity component reserve	
		490,960,986	94,923,367	13,197,217	599,081,570
Balance at March 31, 2018	14	490,960,986	94,923,367	13,197,217	599,081,570
Profit for the period		198,906,170	24,671,882		223,578,052
Other comprehensive income (Remeasurement gains/(loss) on defined benefit plan)		1,224,060	-		1,224,060
Total comprehensive income for the period		200,130,230	24,671,882		224,802,112
Other equity component reserve		-		(13,197,217)	(13,197,217)
Transfer to general reserve		(24,671,882)			(24,671,882)
Dividend and taxes paid		(222,046,942)	-		(222,046,942)
Issue of Bonus shares		(24,300,000)			(24,300,000)
Balance at March 31, 2019	14	420,072,392	119,595,249	-	539,667,641

As per our report of even date

For S.R Batliboi & Associates LLP
ICAI Firm Regn No.: 101049W/E300004
Chartered Accountants

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

Per **Sarvesh Warty**
Partner
Membership No: 121411

Director
DIN: 01744509

Director
DIN: 00058548

Chief Executive Officer

Head - Finance & Operations

Company Secretary

Place: Mumbai
Date: April 22, 2019

Place: Mumbai
Date: April 22, 2019

Cash Flow Statement

for the year ended March 31, 2019

Particulars	March 31, 2019		March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Profit before tax and extraordinary items		273,499,622		391,538,672
Adjustments for non-cash items:				
Depreciation	40,009,349		38,461,533	
Adjustment for:				
Provision for leave encashment	3,857,735		4,880,258	
Fair valuation of ESOP (Other equity component reserve)	(13,197,216)		13,197,216	
Other Comprehensive Income	1,224,060		172,841	
(Gain)/Loss due to foreign exchange	5,929,692		-	
(Profit)/Loss on sale of fixed asset	159,218		518,691	
(Gain)/Loss on sale of investments	(16,780,558)		(11,179,344)	
Interest income	<u>(23,597,815)</u>	<u>(2,395,535)</u>	<u>(28,359,126)</u>	<u>17,692,069</u>
Operating profit before working capital changes		271,104,087		409,230,741
Movement in working capital:				
(Increase)/decrease in current assets	(88,412,138)		(324,600,440)	
Increase/(decrease) in current liabilities	<u>113,553,885</u>	25,141,747	<u>573,447,470</u>	248,847,030
Movement in other non-current assets/ liabilities and provisions:				
(Increase)/Decrease in rental and other security deposits	2,032,768		(2,826,661)	
Increase/(Decrease) in other long-term liabilities and provisions	<u>(294,182)</u>	<u>1,738,587</u>	<u>9,891</u>	<u>(2,816,770)</u>
Cash generated from operations		297,984,421		655,261,001
Less: Direct taxes paid		<u>339,171,909</u>		<u>221,233,352</u>
Net cash flow in operating activities		<u>(41,187,488)</u>		<u>434,027,649</u>
B. Cash flow from investing activities				
Purchase of tangible fixed assets		(16,186,686)		(8,154,212)
Purchase of intangible fixed assets		(27,747,015)		(26,404,153)
Net proceed from sale of tangible fixed assets		2,853,570		4,677,271
Investments in mutual funds units		(4,989,700,001)		(2,625,400,013)
Proceed from sale of investments in mutual fund units		5,051,399,999		2,560,236,323
Gain/(loss) due to foreign exchange		(5,929,692)		-
Interest received		22,694,815		27,374,287
Fixed deposits placed with banks		-		(10,000,000)
Intercorporate deposits received back during the year		100,000,000		220,000,000
Intercorporate deposits placed during the year		-		<u>(220,000,000)</u>
Net cash flow in investing activities		<u>137,384,990</u>		<u>(77,670,497)</u>

Cash Flow Statement (Contd.)

for the year ended March 31, 2019

Particulars	March 31, 2019		March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
C. Cash flow from financing activities				
Dividend paid on equity shares		(184,186,804)		(187,189,162)
Tax paid on equity dividend		(37,860,139)		(38,107,310)
Net cash flow in financing activities		(222,046,943)		(225,296,472)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		(125,849,441)		131,060,679
Cash and cash equivalents (opening balance)		172,512,959		41,452,279
Cash and cash equivalents (closing balance)		46,663,518		172,512,959
Net increase/(decrease) as disclosed above		(125,849,441)		131,060,680
Notes to cash flow statement:				
1. Cash and cash equivalents include				
Cash in hand		-		-
Balances with banks		46,663,518		41,452,279
		46,663,518		41,452,279
2.	Bank balance in current accounts includes Rs. 3,59,63,375 (Previous Year Rs. 12,19,91,000) held by the Company in fiduciary capacity on behalf of insurers/reinsurers. A corresponding Liability for the same is included in sundry creditors.			
3.	Previous years figures have been regrouped and rearranged wherever necessary.			

As per our report of even date

For S.R Batliboi & Associates LLP
ICAI Firm Regn No.: 101049W/E300004
Chartered Accountants

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

Per **Sarvesh Warty**
Partner
Membership No: 121411

Director
DIN: 01744509

Director
DIN: 00058548

Chief Executive Officer

Head - Finance & Operations

Company Secretary

Place: Mumbai
Date: April 22, 2019

Place: Mumbai
Date: April 22, 2019

Notes

forming part of Balance Sheet

NOTE 1A: TANGIBLE ASSETS

(Amount in Rs.)

Particulars	Lease hold improvements	Office computers and electronic equipments	Furniture and fixtures and other office equipments	Vehicle	Total
Gross Block					
As at April 01, 2017	26,840,364	29,685,695	7,227,041	27,335,976	91,089,076
Additions during the year	-	4,603,910	178,375	3,371,931	8,154,216
Deletions/Adjustments during the year	-	116,116	346,141	5,911,885	6,374,151
As at March 31, 2018	26,840,364	34,173,489	7,059,275	24,796,022	92,869,141
Additions during the year	4,830,454	8,460,975	1,021,921	1,873,336	16,186,686
Deletions/Adjustments during the year	-	1,840,349	196,515	3,224,165	5,261,029
As at March 31, 2019	31,670,818	40,794,115	7,884,681	23,445,193	103,794,798
Accumulated depreciation					
As at April 01, 2017	2,440,126	13,391,065	2,830,089	4,202,205	22,863,485
Additions during the year	5,338,764	7,381,749	530,479	4,986,383	18,237,375
Deletions/Adjustments during the year	-	68,879	-	1,109,330	1,178,210
As at March 31, 2018	7,778,890	20,703,935	3,360,568	8,079,258	39,922,650
Additions during the year	5,791,393	7,487,299	1,421,902	4,918,405	19,618,999
Deletions/Adjustments during the year	-	1,819,386	124,705	2,318,484	4,262,575
As at March 31, 2019	13,570,283	26,371,848	4,657,765	10,679,179	55,279,074
Net book amount as at March 31, 2019	18,100,535	14,422,267	3,226,916	12,766,014	48,515,732
Net book amount as at March 31, 2018	19,061,474	13,469,554	3,698,707	16,716,755	52,946,490

NOTE 1B: INTANGIBLE ASSETS

(Amount in Rs.)

Particulars	Computer software	Market know-how	Total
Gross Block			
As at April 01, 2017	50,445,447	1,946,219	52,391,666
Additions during the year	23,578,812	-	23,578,812
Deletions/Adjustments during the year	-	-	-
As at March 31, 2018	74,024,259	1,946,219	75,970,478
Additions during the year	24,954,817	-	24,954,817
Deletions/Adjustments during the year	2,417,200	2,417,200	
As at March 31, 2019	96,561,876	1,946,219	98,508,095
Accumulated amortization			
As at April 01, 2017	22,250,211	1,946,219	24,196,430
Additions during the year	20,224,158	-	20,224,158
Deletions/Adjustments during the year	-	-	-
As at March 31, 2018	42,474,369	1,946,219	44,420,588
Additions during the year	20,390,350	-	20,390,350
Deletions/Adjustments during the year	402,867	402,867	
As at March 31, 2019	62,461,852	1,946,219	64,408,071
Net book amount as at March 31, 2019	34,100,024	-	34,100,023
Net book amount as at March 31, 2018	31,549,891	-	31,549,891

Notes

forming part of Balance Sheet

NOTE 2: FINANCIAL ASSETS- LOANS (Carried at Amortized Cost)

(Unsecured, considered good, except otherwise stated)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Rental security deposits	16,476,321	15,015,695
Other security deposits	55,323	55,323
	16,531,644	15,071,018

NOTE 3: FINANCIAL ASSETS- OTHERS (Carried at Amortized Cost)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Other bank balances - including interest accrued but not due (Fixed deposits with banks marked lien in favour of IRDA)	13,195,648	12,342,162
	13,195,648	12,342,162

NOTE 4: DEFERRED TAX ASSET/(LIABILITY)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Deferred tax asset/(liability):		
On account of accumulated depreciation and amortization	5,441,000	936,800
On account of provision for doubtful debts and other provisions	39,365,400	36,130,500
Others- Ind AS Adjustments	(300,698)	(393,148)
Net deferred tax (liability)/asset	44,505,702	36,674,152

NOTE 5A: ADVANCE TAX (NET)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Advance payment of income tax - net of provision of Rs.54,17,24,207 (previous year: Rs. 45,92,99,205)	320,838,437	64,091,531
	320,838,437	64,091,531

NOTE 5B: LIABILITIES FOR CURRENT TAX (NET)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Provision of income tax - net of advance payment of Rs. 8,45,54,943 (previous year: Rs. 8,45,54,943)	3,721,869	3,721,869
	3,721,869	3,721,869

NOTE 6: OTHER NON CURRENT ASSETS- (NON FINANCIAL)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Advance against capital expenditure	690,419	2,706,190
Deferred Rent Expenses	1,249,292	2,726,915
	1,939,711	5,433,105

NOTE 7: FINANCIAL ASSETS -CURRENT INVESTMENTS

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Unquoted:		
Investment in mutual fund units (No. of units March 31, 2019: 8,07,446.85 and March 31, 2018: 10,29,325.84 at fair value through profit and loss)	242,586,262	287,505,704
	242,586,262	287,505,704

Notes

forming part of Balance Sheet

NOTE 8: FINANCIAL ASSETS -TRADE AND OTHER RECEIVABLES

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Secured considered good	-	-
Unsecured, considered good	433,607,963	486,105,811
Unsecured, considered doubtful	10,800,615	12,174,521
	444,408,578	498,280,332
Less: Allowance for bad and doubtful debts	(10,800,615)	(12,174,521)
	433,607,963	486,105,811
	433,607,963	486,105,811

NOTE 9: FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Cash and cash equivalents:		
Cash on hand	-	-
Cheques on hand	-	-
Balance with banks - On current account	46,663,518	172,512,959
	46,663,518	172,512,959
Other bank balances:		
Deposits with banks	10,000,000	10,000,000
	10,000,000	10,000,000
	56,663,518	182,512,959

NOTE 10: FINANCIAL ASSETS -LOANS (Carried at Amortized Cost)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Advances and other receivables from employees:		
Unsecured, considered good	109,585	634,728
Unsecured, considered doubtful	-	-
	109,585	634,728
Less: Allowance for bad and doubtful advances	-	-
	109,585	634,728
Other advances and receivables:		
Unsecured, considered good:		
Employee loans	-	268,694
Loans and advances to related parties	2,656,586	-
Inter corporate deposits	200,000,000	300,000,000
Advances and other receivables from vendors	197,115	142,500
Rental security deposits	1,117,368	247,323
Other security deposits	655,645	203,000
	204,736,299	301,496,245

NOTE 11: FINANCIAL ASSETS -OTHERS (Carried at Amortized Cost)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Interest accrued but not due on:		
Fixed deposit - Current	455,516	406,002
	455,516	406,002

Notes

forming part of Balance Sheet

NOTE 12: OTHER CURRENT ASSETS - (NON FINANCIAL)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Prepaid expenses	19,152,892	17,473,001
Service tax refund receivable	6,170,452	6,170,452
ST Advance-Appeal	63,825,513	-
GST input credit	92,441,620	28,920,844
Fair value of plan assets- gratuity	37,701,329	29,484,821
Deferred Staff Cost	-	3,891
Deferred Rent Expense	1,477,623	1,491,373
Others	684,008	239,130
	221,453,437	83,783,512

NOTE 13: SHARE CAPITAL

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Authorized share capital:		
55,00,000 equity shares of Rs. 10 each	55,000,000	30,000,000
	55,000,000	30,000,000
Issued, subscribed and fully paid up share capital:		
5130000 (Previous year: 2700000) equity shares of Rs.10 each fully paid		
Of the above:		
2565103 (Previous year: 1350054) equity shares held by Aditya Birla Capital Limited, the holding company)	51,300,000	27,000,000
	51,300,000	27,000,000

Term/right attached to equity shares:

The company has only one class of equity shares having a par value of Rs. 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

During the period ended March 31, 2019, the Company has issued 24,30,000 fully paid-up bonus equity shares of face value Re. 10 each in the ratio of 1:09 with record date of September 05, 2019. As a result EPS has been adjusted for reporting as well as for all the comparative periods.

* Aggregate number of shares allotted as fully paid-up by way of bonus shares for the period ended March 31, 2019

Equity shares allotted as fully paid-up bonus shares by capitalization of general reserve Rs. 2,43,00,000.

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

Name of shareholder	March 31, 2019 Rs.	March 31, 2018 Rs.
Number of Shares outstanding at the beginning of the year: 2700000 of Rs. 10 each	27,000,000	27,000,000
Number of Shares issued during the year	24,300,000	-
Number of Shares outstanding at the end of the year: 5130000 of Rs. 10 each	51,300,000	27,000,000

Details of shareholder holding more than 5% share of the company

Name of shareholder	March 31, 2019 Nos.	March 31, 2018 Nos.
Aditya Birla Capital Limited	2,565,103	1,350,054
Infocyper India Private Limited	2,564,897	1,349,946
	5,130,000	2,700,000
% of shareholding:		
Aditya Birla Capital Limited	50.002	50.002
Infocyper India Private Limited	49.998	49.998

Notes

forming part of Balance Sheet

NOTE 14: RESERVES AND SURPLUS

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
1. General reserve:		
Opening balance	94,923,367	69,890,427
Addition: Transfer from surplus balance in Statement of Profit and Loss	24,671,882	25,032,940
Closing balance	119,595,249	94,923,367
2. Surplus as per Statement of Profit and Loss:		
Opening balance	490,960,986	494,398,731
Add: Profit for the year	198,906,170	246,718,827
Other comprehensive income for the year	1,224,060	172,841
Closing balance	691,091,216	741,290,399
Less: Appropriation		
Transfer to general reserve	24,671,882	25,032,940
Dividend on equity shares*	184,186,803	187,189,162
Tax on dividend	37,860,139	38,107,310
Issue of Bonus shares	24,300,000	
Closing balance	420,072,392	490,960,986
3. Other equity component reserve:		
Opening balance	13,197,216	
Deduction during the period	(13,197,216)	
Addition during the period	13,197,216	
Closing balance	-	13,197,216
Total (1 + 2 + 3)	539,667,641	599,081,569

* The Company has paid the dividend on equity shares @ 68.22 per share (Previous year: Rs. 69.33 per share).

NOTE 15: OTHER NON CURRENT LIABILITIES (NON FINANCIAL)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Deposits from employees under own your car scheme	-	219,404
Rent expense liability - straight lining effect	36,234	111,011
	36,234	330,415

NOTE 16: FINANCIAL LIABILITIES

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Trade and other payables		
Payable to related parties	19,555,228	11,419,867
Payable for other expenses:		
– Micro and small enterprises*	-	-
– Other than micro and small enterprises	625,747,161	638,448,945
	645,302,389	649,868,812

* There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company

Notes

forming part of Balance Sheet

NOTE 16A: FINANCIAL LIABILITIES -OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Payable for salaries, wages and other employee benefits	158,242,589	130,947,979
	158,242,589	130,947,979

NOTE 17: OTHER CURRENT LIABILITIES (NON FINANCIAL)

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Other payables - statutory dues	115,444,807	38,081,984
Provision for doubtful statutory liabilities-Service Tax	71,514,620	70,900,000
Provision for doubtful statutory liabilities — GST	5,368,098	
Income received in advance	602,118	42,749
	192,929,643	109,024,733

NOTE 18: SHORT-TERM PROVISIONS

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Provisions for leave encashment	22,368,523	18,510,788
Provisions for gratuity	39,169,563	32,248,776
	61,538,086	50,759,564

Notes

forming part of Statement of Profit and Loss

NOTE 19: REVENUE FROM OPERATIONS

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
General insurance advisory services:		
Administrative services and consultancy charges	20,520,000	36,128,052
Brokerage	4,425,525,343	2,573,682,494
	4,446,045,343	2,609,810,546

NOTE 20: OTHER INCOME

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Net Gain/(Loss) on Fair Value Changes:		
MTM of investments measured at FVTPL-Gain/(Loss)	(69,886)	886,003
Gain/(loss) on sale of investments measured at FVTPL	16,850,444	10,293,341
	16,780,558	11,179,344
Interest income:		
Interest on inter corporate deposits	20,458,219	25,707,259
Interest on fixed deposits with bank	1,675,280	1,387,141
Interest on loan to employee	2,485	28,835
Interest on others	1,461,831	1,235,891
Interest income from financial assets through amortized cost	23,597,815	28,359,126
Others:		
Foreign exchange gain	-	50,548
Recovery of bad debts	592,045	520,945
	592,045	571,493
	40,970,418	40,109,963

NOTE 21: IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Bad debts written off	16,296,067	10,578,123
Provision for doubtful debts and advances	(1,373,905)	810,522
	14,922,162	11,388,645

NOTE 22: EMPLOYEE BENEFITS EXPENSES

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Salaries and other allowances	516,460,446	446,494,719
Contribution to gratuity fund	5,821,463	5,996,938
Contribution to provident and other funds	17,221,133	15,215,986
Employee Stock Options Scheme -ESOP	33,980,758	30,843,263
Staff welfare expenses	13,374,079	13,832,995
	586,857,879	512,383,901

NOTE 23: DEPRECIATION AND AMORTIZATION

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Depreciation on tangible assets	19,618,999	18,237,375
Amortization of intangible assets	20,390,350	20,224,158
	40,009,349	38,461,533

Notes

forming part of Statement of Profit and Loss

NOTE 24: OTHER EXPENSES

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Legal and professional charges (Refer note 1 below)	36,773,475	22,650,292
Advertisement and business promotion expenses	38,193,691	260,774,629
Telephone and communication expenses	12,641,775	11,989,103
Travelling and conveyance expenses	32,567,175	28,051,919
Rent	40,915,915	39,568,527
Rates and taxes	15,086,449	19,662,834
Repair and maintenance	29,722,568	20,125,543
Director's Fees	920,000	785,625
Insurance expenses	12,365,332	12,527,766
Service hire charges	35,479,554	29,341,139
Electricity expenses	4,991,620	5,437,165
Printing and stationery	2,458,486	1,833,341
Information technology expenses	2,229,502	727,434
Bank charges	554,092	431,181
Postage and courier expenses	846,936	874,871
Foreign exchange loss	5,929,692	-
Miscellaneous expenses (refer note 2 below)	11,914,787	12,808,943
CSR expenses (refer note 3 below)	7,400,000	6,552,620
	290,991,049	474,142,932

Notes:

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

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
As auditor:		
Audit fee	1,250,000	1,250,000
Tax audit fee	200,000	200,000
Limited Review	450,000	450,000
In other capacity:		
Certification fee	250,000	400,000
Out of pocket expenses	69,163	64,622
	2,219,163	2,364,622

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

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Gross amount required to be spent by the company during the year	7,382,325	6,552,620
Amount spent during the year	7,400,000	6,552,620

Notes

forming part of Statement of Profit and Loss

NOTE 25: INCOME TAX EXPENSES		
Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Current tax	87,680,100	156,180,300
Income tax for prior years	(5,255,098)	-
Deferred tax charge - (Net)	(7,831,550)	(11,360,454)
	74,593,452	144,819,846

Reconciliation of income tax expenses

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Profit before tax	273,499,622	391,538,673
Income tax rate	29.12%	34.61%
Income tax expenses on profit before tax	79,643,100	135,503,700
Adjustment under income tax law:		
Income tax expenses on non deductibles/non taxable items	2,921,169	2,160,800
Income tax expenses on temporary disallowances	5,115,831	18,515,800
Income tax expenses provided for the year	87,680,100	156,180,300

NOTE 26: OTHER COMPREHENSIVE INCOME

Particulars	March 31, 2019 Rs.	March 31, 2018 Rs.
Other comprehensive income (Actuarial gains/(losses) on defined benefit obligations classified under retained earnings)	1,224,060	172,841
	1,224,060	172,841