

# **Reliance Retail Insurance Broking Limited**

## INDEPENDENT AUDITOR'S REPORT

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### To the Members of Reliance Retail Insurance Broking Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Retail Insurance Broking Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

#### 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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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 appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact on its financial position.
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards 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 Chaturvedi & Shah**  
Chartered Accountants  
(Firm Registration no. 101720W)

**Jignesh Mehta**  
Partner  
Membership No.: 102749

Mumbai  
Date: 15<sup>th</sup> April, 2016

## **“Annexure A” to Independent Auditors’ Report**

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### **“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.**

- i) As the Company had no Fixed Assets during the year, clause (i) of paragraph of 3 of the Order is not applicable to the Company.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.
- iii) 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 Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax , cess on account of any dispute, which have not been deposited.
- viii) The Company has not raised loans from financial institutions or banks or by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii) In respect to transaction with Related Parties :
  - a) In our opinion and according to the information and explanations given to us, section 177 of the Act is not applicable to the Company.
  - b) In our opinion and according to the information and explanations given to us, Company is in compliance with the section 188 of the Act and details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.

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- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah**  
Chartered Accountants  
(Firm Registration no. 101720W)

**Jignesh Mehta**  
Partner  
Membership No.: 102749  
Mumbai  
Date: 15<sup>th</sup> April, 2016

## **“Annexure B” to Independent Auditors’ Report**

**“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.**

### **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 Control over financial reporting of Reliance Retail Insurance Broking Limited (“the company”) as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

#### **Management Responsibility for the 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Chaturvedi & Shah**

Chartered Accountants

(Firm Registration no. 101720W)

**Jignesh Mehta**

Partner

Membership No.: 102749

Mumbai

Date: 15<sup>th</sup> April, 2016

## Balance Sheet as at 31st March, 2016

	Note	As at 31st March, 2016	As at 31st March, 2015
₹ lakh			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	4 00.00	4 00.00
Reserves and surplus	2	7 94.77	5 85.80
		<b>11 94.77</b>	9 85.80
<b>Non-current liabilities</b>			
Long-term provisions	3	19.51	16.91
<b>Current liabilities</b>			
Trade payables	4		
Micro and Small Enterprises		-	-
Others		38.00	75.71
Other current liabilities	5	15.81	66.47
Short-term provisions	6	0.58	0.50
		<b>54.39</b>	1 42.68
<b>Total</b>		<b>12 68.67</b>	<b>11 45.39</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax assets (net)	7	6.68	5.77
Long-term loans and advances	8	4 55.63	3 98.79
		<b>4 62.31</b>	4 04.56
<b>Current assets</b>			
Current investments	9	6 74.69	5 40.74
Trade receivables	10	81.29	86.73
Cash and bank balances	11	17.82	30.29
Short-term loans and advances	12	32.56	83.07
		<b>8 06.36</b>	7 40.83
<b>Total</b>		<b>12 68.67</b>	<b>11 45.39</b>
Significant accounting policies			
Notes on financial statements	1 to 21		

As per our Report of even date

For **Chaturvedi & Shah**  
Chartered Accountants**Jignesh Mehta**  
PartnerMumbai  
Dated: 15<sup>th</sup> April, 2016

For and on behalf of the Board

**Rajendra Kamath**  
Director**Pramod Bhawalkar**  
Director**Venkatesh Guler**  
Director



## Statement of Profit and Loss for the year ended 31st March, 2016

	Note	2015-16	2014-15
₹ lakh			
<b>INCOME</b>			
Revenue from operations	13	16 66.39	15 37.66
Other income	14	48.83	28.70
<b>Total revenue</b>		<b>17 15.22</b>	<b>15 66.36</b>
<b>EXPENDITURE</b>			
Employee benefits expense	15	1 66.76	1 71.82
Other expenses	16	12 35.05	11 40.19
<b>Total expenses</b>		<b>14 01.81</b>	<b>13 12.01</b>
<b>Profit/ (loss) before tax</b>		<b>3 13.41</b>	<b>2 54.35</b>
Tax expenses:			
Current tax		1 05.35	59.05
Deferred tax		( 0.91)	( 0.13)
		<b>1 04.44</b>	<b>58.92</b>
<b>Profit/ (loss) for the year</b>		<b>2 08.97</b>	<b>1 95.43</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic and Diluted (in ₹)	19	5.22	4.89
Significant accounting policies			
Notes on financial statements			
	1 to 21		

As per our Report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Jignesh Mehta**  
Partner

Mumbai  
Dated: 15<sup>th</sup> April, 2016

For and on behalf of the Board

**Rajendra Kamath**  
Director

**Pramod Bhawalkar**  
Director

**Venkatesh Gulur**  
Director

## Cash Flow Statement for the year 2015-16

	2015-16	2014-15
		₹ lakh
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before tax as per Statement of Profit and Loss	3 13.41	2 54.35
<b>Adjusted for:</b>		
Dividend income	-	( 0.13)
(Profit)/ loss on sale of investments (net)	( 47.95)	( 27.69)
Interest income	( 0.88)	( 0.88)
	<u>( 48.83)</u>	<u>( 28.70)</u>
<b>Operating profit/ (loss) before working capital changes</b>	<b>2 64.58</b>	<b>2 25.65</b>
<b>Adjusted for:</b>		
Trade and other receivables	55.95	14.72
Trade and other payables	( 85.69)	87.19
	<u>( 29.74)</u>	<u>1 01.91</u>
<b>Cash generated from/ (used in) operations</b>	<b>2 34.84</b>	<b>3 27.56</b>
Taxes (paid)/ refund	(1 62.19)	( 61.62)
<b>Net cash from/ (used in) operating activities</b>	<b>72.65</b>	<b>2 65.94</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(21 82.00)	(23 03.06)
Sale of investments	20 96.00	20 35.06
Interest income	0.88	0.88
<b>Net cash from/ (used in) investing activities</b>	<b>( 85.12)</b>	<b>(2 67.12)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>( 12.47)</b>	<b>( 1.18)</b>
<b>Opening balance of cash and cash equivalents</b>	<b>20.29</b>	<b>21.47</b>
<b>Closing balance of cash and cash equivalents (Refer Note 11)</b>	<b>7.82</b>	<b>20.29</b>

As per our Report of even date

For **Chaturvedi & Shah**  
Chartered Accountants**Jignesh Mehta**  
PartnerMumbai  
Dated: 15<sup>th</sup> April, 2016

For and on behalf of the Board

**Rajendra Kamath**  
Director**Pramod Bhawalkar**  
Director**Venkatesh Gulur**  
Director

## Significant accounting policies

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### A Basis of preparation of financial statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lakh.

### B Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

### C Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### D Investments

Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments. Current investments are carried at the lower of cost and quoted/ fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

### E Revenue recognition

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, adjusted for discounts (net), service tax, excise duty and value added tax.

Dividend income is recognised when right to receive is established.

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

### F Employee benefits

#### i) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

#### ii) Post employment benefits:

##### a) Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**b) Defined Benefit Plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees services. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss

**G Provision for current and deferred tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961 using the applicable tax rate. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual/ reasonable certainty that the asset will be realised in future.

**H Provisions, contingent liabilities and contingent assets**

Provisions is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent Assets are neither recognised nor disclosed in the financial statements.

## Notes on financial statements for the year ended 31st March, 2016

		₹ lakh	
		As at 31st March, 2016	As at 31st March, 2015
<b>1. Share capital</b>			
<b>Authorised:</b>			
<b>40,00,000</b> Equity shares of ₹ 10 each (40,00,000)		<b>4 00.00</b>	4 00.00
<b>Total</b>		<b>4 00.00</b>	4 00.00
<b>Issued, subscribed and paid-up:</b>			
<b>40,00,000</b> Equity shares of ₹ 10 each (40,00,000)		<b>4 00.00</b>	4 00.00
<b>Total</b>		<b>4 00.00</b>	4 00.00
(i) All the above 40,00,000 (previous year 40,00,000) equity shares of ₹10 each fully paid-up are held by Reliance Industrial Investments and Holdings Limited, the holding company along with its nominees.			
(ii) <b>The details of Shareholders holding more than 5% shares:</b>			
<b>Name of the Shareholders</b>		As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	% held	No. of Shares % held
Reliance Industrial Investments and Holdings Limited	40,00,000	100	40,00,000 100
(iii) <b>Reconciliation of opening and closing number of shares</b>			
<b>Particulars</b>		As at 31st March, 2016	As at 31st March, 2015
		No. of shares	No. of shares
Equity shares outstanding at the beginning of the year		40,00,000	40,00,000
Add: Equity shares issued during the year		-	-
Equity shares outstanding at the end of the year		40,00,000	40,00,000
(vi) The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.			
<b>2. Reserves and surplus</b>			
		As at 31st March, 2016	As at 31st March, 2015
<b>Surplus</b>			
<b>Profit and Loss Account</b>			
As per last Balance Sheet		5 85.80	3 90.37
Add: Profit/ (loss) for the year		2 08.97	1 95.43
<b>Total</b>		<b>7 94.77</b>	5 85.80

## Notes on financial statements for the year ended 31st March, 2016

3. Long-term provisions	₹ lakh	
	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits	19.51	16.91
<b>Total</b>	<b>19.51</b>	<b>16.91</b>

### 4. Trade payables

#### Dues to micro and small enterprises

The details of amounts outstanding to Micro and Small Enterprises bases on available information with the Company is as under:-

Sr. No.	Particulars	₹ lakh	
		As at 31st March, 2016	As at 31st March, 2015
1	Principal amount due and remaining unpaid	-	-
2	Interest due on above and the unpaid interest	-	-
3	Interest paid	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

5. Other current liabilities	₹ lakh	
	As at 31st March, 2016	As at 31st March, 2015
Others <sup>(i)</sup>	15.81	66.47
<b>Total</b>	<b>15.81</b>	<b>66.47</b>

<sup>(i)</sup> Includes advance from customer and statutory liabilities.

6. Short-term provisions	₹ lakh	
	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits	0.58	0.50
<b>Total</b>	<b>0.58</b>	<b>0.50</b>

7. Deferred tax assets (net)	₹ lakh	
	As at 31st March, 2016	As at 31st March, 2015
Deferred tax assets		
Disallowance under the Income Tax Act, 1961	6.68	5.77
<b>Total</b>	<b>6.68</b>	<b>5.77</b>

## Notes on financial statements for the year ended 31st March, 2016

	As at 31st March, 2016	₹ lakh As at 31st March, 2015
<b>8. Long-term loans and advances</b> (unsecured and considered good)		
Advance income tax (net of provision)	4 55.63	3 98.79
<b>Total</b>	<b>4 55.63</b>	<b>3 98.79</b>
<b>9. Current investments</b> (valued at lower of cost and quoted/ fair value)		
<b>Investment in mutual funds</b>		
<b>In units - unquoted</b>		
305,856 ICICI Prudential Liquid Plan - Regular Growth (265,311) ₹ 100 each	6 74.69	5 40.74
<b>Total</b>	<b>6 74.69</b>	<b>5 40.74</b>
<b>Aggregate value of</b>	<b>Book value</b>	<b>Book value</b>
Unquoted investments	6 74.69	5 40.74
<b>10. Trade receivables</b> (unsecured and considered good)		
Outstanding for a period exceeding six months	-	-
Others	81.29	86.73
<b>Total</b>	<b>81.29</b>	<b>86.73</b>
<b>11. Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
<b>Bank balance</b>		
In current accounts	7.82	20.29
<b>Sub Total</b>	<b>7.82</b>	<b>20.29</b>
<b>Other bank balance</b>		
In deposit <sup>(i) and (ii)</sup>	10.00	10.00
<b>Sub Total</b>	<b>10.00</b>	<b>10.00</b>
<b>Total</b>	<b>17.82</b>	<b>30.29</b>

<sup>(i)</sup> Includes ₹ 10 lakh (previous year ₹ nil) with maturity period of more than 12 months.

<sup>(ii)</sup> Includes ₹ 10 lakh (previous year ₹ 10 lakh) held as security with Insurance Regulatory and Development Authority.

## Notes on financial statements for the year ended 31st March, 2016

	As at 31st March, 2016	₹ lakh As at 31st March, 2015
<b>12. Short-term loans and advances</b> (unsecured and considered good)		
Balance with service tax authorities	27.01	72.13
Others <sup>(i)</sup>	5.55	10.94
<b>Total</b>	<b>32.56</b>	<b>83.07</b>
<sup>(i)</sup> Includes advances to vendors and advances to employees.		
<b>13. Revenue from operations</b>	<b>2015-16</b>	2014-15
Sale of services	19 00.13	17 27.71
Less: service tax recovered	2 33.74	1 90.05
<b>Total</b>	<b>16 66.39</b>	<b>15 37.66</b>
<b>14. Other income</b>	<b>2015-16</b>	2014-15
Interest income		
From others	0.88	0.88
Dividend income		
From current investments	-	0.13
Net gain on sale of Current investments	47.95	27.69
<b>Total</b>	<b>48.83</b>	<b>28.70</b>
<b>15. Employee benefits expense</b>	<b>2015-16</b>	2014-15
Salaries and wages	1 50.70	1 50.50
Contribution to provident and other funds	12.35	13.71
Staff welfare expenses	3.71	7.61
<b>Total</b>	<b>1 66.76</b>	<b>1 71.82</b>

**15.1** As per Accounting Standard 15 "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

### Defined contribution plan

Contribution to defined contribution plan, recognised are charged off for the year are as under:

	2015-16	2014-15
Employer's contribution to Provident Fund	3.39	3.73
Employer's contribution to Pension Scheme	3.34	2.87



## Notes on financial statements for the year ended 31st March, 2016

### Defined benefit plan

The present value of obligation for gratuity is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences is recognised in the same manner as gratuity.

The Company operates post retirement benefit plans as follows:

#### I. Reconciliation of opening and closing balances of defined benefit obligation ₹ lakh

	Gratuity (unfunded)		Compensated Absences (unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined benefit obligation at beginning of the year	11.22	9.51	6.19	5.90
Current service cost	1.86	1.70	1.49	1.36
Interest cost	0.90	0.76	0.50	0.47
Actuarial (gain)/ loss	(0.17)	1.22	(1.57)	(1.25)
Benefits paid	(0.26)	(1.97)	(0.07)	(0.29)
Defined benefit obligation at year end	13.55	11.22	6.54	6.19

#### II. Reconciliation of fair value of assets and obligations ₹ lakh

	Gratuity (unfunded)		Compensated Absences (unfunded)	
	2015-16	2014-15	2015-16	2014-15
Present value of obligation	13.55	11.22	6.54	6.19
Amount recognised in Balance Sheet	13.55	11.22	6.54	6.19

#### III. Expenses recognised during the year ₹ lakh

	Gratuity (unfunded)		Compensated Absences (unfunded)	
	2015-16	2014-15	2015-16	2014-15
Current service cost	1.86	1.70	1.49	1.36
Interest cost on benefit obligation	0.9	0.76	0.50	0.47
Actuarial (gain)/ loss recognised in the year	(0.17)	1.22	(1.57)	(1.25)
Net benefit expense/ (income)	2.59	3.68	0.42	0.58

#### IV. Actuarial assumptions

	Gratuity (unfunded)		Compensated Absences (unfunded)	
	2015-16 2006-08 (Ultimate)	2014-15 2006-08 (Ultimate)	2015-16 2006-08 (Ultimate)	2014-15 2006-08 (Ultimate)
Mortality Table				
Discount rate (per annum)	8%	8%	8%	8%
Rate of escalation in salary (per annum)	6%	6%	6%	6%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

## Notes on financial statements for the year ended 31st March, 2016

V. Amount recognised in current year and previous four years						₹ lakh
Particular	As at 31st March					
	2016	2015	2014	2013	2012	
<b>Gratuity</b>						
Defined benefit obligation	13.55	11.22	9.51	9.27	8.11	
Fair value of planned assets	-	-	-	-	-	
(surplus)/ Deficit in the plan	13.55	11.22	9.51	9.27	8.11	
Actuarial (gain)/ loss on plan liabilities	( 0.17)	1.22	( 0.64)	1.44	( 0.92)	
Actuarial gain/ (loss) on plan assets	-	-	-	-	-	

VI. The expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial year 2015-16.

16. Other expenses		2015-16	2014-15
₹ lakh			
<b>Establishment expenses</b>			
Hire charges contracted services	4 63.41		4 47.39
Other repairs	-		0.21
Rent	4 76.25		4 35.00
Insurance	9.02		8.17
Rates and taxes	1.37		1.36
Travelling and conveyance expenses	11.09		11.22
Professional fees	2 60.06		2 20.21
General expenses	12.07		14.97
		12 33.27	11 38.53
<b>Payments to auditor</b>			
Audit fees	1.15		1.15
Tax audit fees	0.30		0.25
Certification and consultation fees	0.33		0.26
		1.78	1.66
<b>Total</b>		<b>12 35.05</b>	<b>11 40.19</b>

17. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

18. The Company is mainly engaged in 'insurance broking services' in India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Accounting Standard 17 "Segment Reporting".

## Notes on financial statements for the year ended 31st March, 2016

### 19. Earnings per share (EPS)

	2015-16	2014-15
(i) Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to equity shareholders (₹ lakh)	2 08.97	1 95.43
(ii) Weighted average number of equity shares used as denominator for calculating EPS	4,000,000	4,000,000
(iii) Basic and diluted earnings/ (loss) per share of face value of ₹ 10 each (Amount in ₹)	5.22	4.89

### 20. Broad heads of services rendered

Services rendered	2015-16	2014-15
		₹ lakh
Insurance broking services	19 00.13	17 27.71

### 21. As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

#### (i) List of related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the related party	Relationship
1	Reliance Industries Limited	Ultimate holding company
2	Reliance Industrial Investments And Holdings Limited	Holding company
3	Reliance Retail Limited	Fellow subsidiaries
4	Reliance Corporate IT Park Limited	
5	Strategic Manpower Solutions Limited	

#### (ii) Transactions during the year with related parties (excluding reimbursements):

Nature of transactions	₹ lakh		
	Holding company	Fellow subsidiaries	Total
1 Expenditure			
- Hire charges-contracted services	-	5 28.98	5 28.98
		<i>5 02.69</i>	<i>5 02.69</i>
- Rent	-	5 43.95	5 43.95
		<i>4 88.77</i>	<i>4 88.77</i>
- Professional fees	-	2 97.02	2 97.02
		<i>2 47.19</i>	<i>2 47.19</i>
<b>Balance as at 31st March, 2016</b>			
2 Share capital	4 00.00	-	4 00.00
	<i>4 00.00</i>	-	<i>4 00.00</i>
3 Trade Payable	-	35.23	35.23
		<i>73.27</i>	<i>73.27</i>

Figures in italic represents previous year's amount.

## Notes on financial statements for the year ended 31st March, 2016

(iii) Disclosure in respect of material related party transactions during the year: ₹ lakh

Sr. No.	Particulars	Relationship	2015-16	2014-15
1	<b>Hire charges-contracted services</b>			
	Reliance Retail Limited	Fellow Subsidiary	<b>2 10.37</b>	1 75.42
	Strategic Manpower Solutions Limited	Fellow Subsidiary	<b>3 18.61</b>	3 27.27
2	<b>Rent</b>			
	Reliance Retail Limited	Fellow Subsidiary	<b>5 43.95</b>	4 88.77
3	<b>Professional Fees</b>			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>2 97.02</b>	2 47.19

As per our Report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Jignesh Mehta**  
Partner

Mumbai  
Dated: 15<sup>th</sup> April, 2016

For and on behalf of the Board

**Rajendra Kamath**  
Director

**Pramod Bhawalkar**  
Director

**Venkatesh Gulur**  
Director